

***OFFICE OF THE  
SECRETARY OF DEFENSE***

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**FY 2000/2001 BIENNIAL BUDGET ESTIMATE**

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***FEBRUARY 1999***

**Operation and Maintenance Overview**

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## **O&M TOA BY SERVICE BY APPROPRIATION**

(\$ in Millions)							
	FY 1998 Actual	Price Growth	Program Growth	FY 1999 Estimate	Price Growth	Program Growth	FY 2000 Estimate
Army	22,923.1	+444.2	-2,310.6	21,056.7	+677.4	+1,199.6	22,933.7
Army	19,275.3	+347.4	-2,516.6	17,106.1	+582.4	+972.5	18,661.0
Army Reserve	1,210.9	+25.9	-33.4	1,203.4	+28.9	+136.9	1,369.2
Army National Guard	2,436.9	+70.9	+239.4	2,747.2	+66.1	+90.2	2,903.5
Navy	25,856.1	-574.2	+251.0	25,533.0	+201.4	+104.0	25,838.5
Navy	22,354.8	-601.7	+110.4	21,863.5	+165.3	+209.9	22,238.7
Marine Corps	2,466.3	+36.5	+88.2	2,591.0	+58.2	-90.3	2,558.9
Navy Reserve	918.6	-10.6	+51.5	959.5	-23.8	-18.1	917.6
Marine Corps Reserve	116.4	+1.6	+0.9	119.0	+1.7	+2.5	123.3
Air Force	25,131.1	+252.5	-1,528.1	23,855.5	+136.2	+1,199.5	25,191.2
Air Force	20,411.1	+208.3	-1,642.7	18,976.7	+163.5	+1,223.0	20,363.2
Air Force Reserve	1,640.5	+12.5	+100.2	1,753.2	-7.7	-17.1	1,728.4
Air National Guard	3,079.5	+31.7	+14.4	3,125.6	-19.6	-6.4	3,099.6
Defense-Wide and Other	21,945.3	+682.4	-199.9	27,575.0	+707.8	+1,020.8	29,303.7
Defense-Wide	10,603.3	+307.1	+516.4	11,426.8	+290.5	-298.1	11,419.2
Defense Health Program	10,329.9	+321.4	-330.7	10,313.9	+356.4	+164.4	10,834.7
Inspector General	137.8	+4.1	-9.8	132.1	+4.5	+4.2	140.8
Former Soviet Union Threat Reduction	381.5	+4.2	+54.7	440.4	+6.6	+28.5	475.5
Overseas Humanitarian, Disaster, and Civic Aid	83.6	-0.3	-33.3	50.0	+0.6	+5.2	55.8
Quality of Life Enhancements, Defense	360.0	+5.4	+89.6	455.0	+6.8	+1,383.5	1,845.4

**O&M TOA BY SERVICE BY APPROPRIATION**

	FY 1998 Actual	(\$ in Millions)					FY 2000 Estimate
		Price Growth	Program Growth	FY 1999 Estimate	Price Growth	Program Growth	
U.S. Court of Appeals for the Armed Forces	7.0	+0.2	+0.1	7.3	+0.3	-	7.6
Defense Loan Guarantee	-	-	+1.0	1.0	-	+0.3	1.3
Defense Vessels X	-	-	+45.0	45.0	+0.7	+16.3	62.0
Drug Interdiction and Counter Drug Activities*	(712.9)	+7.6	+55.1	775.6	+13.6	-1.1	788.1
Environmental Restoration, Air Force*	(376.9)	+4.1	-9.9	371.1	+5.6	+0.1	376.8
Environmental Restoration, Army*	(375.3)	+4.1	-9.8	369.6	+5.5	+3.1	378.2
Environmental Restoration, Defense*	(26.9)	+0.3	-2.1	25.1	+0.4	-0.1	25.4
Environmental Restoration, Formerly Used Sites*	(242.3)	+2.7	-20.0	225.0	+3.4	-29.2	199.2
Environmental Restoration, Navy*	(275.5)	+3.0	-4.9	273.6	+4.1	+6.3	284.0
MWR Personnel Support	-	-	+50.0	50.0	+0.8	-50.8	-
OPLAN 34A-35	3.0	-	+7.0	10.0	+0.2	-3.1	7.1
Overseas Contingency Operations Transfer Fund*	(3,144.1)	+18.0	-863.5	2,298.6	+3.4	+85.6	2,387.6
Emergency Response Fund, Defense	4.0	-	-4.0	-	-	-	-
Payment to Kah'olawe Island Fund	35.1	+0.4	-10.5	25.0	+0.4	-10.4	15.0
Pentagon Renovation Transfer	-	-	+279.8	279.8	+4.2	-284.0	-
Total Obligational Authority	95,855.6	+804.9	-3,776.1	98,020.2	+1,722.8	+3,523.9	103,267.1



# O&M TOA BY SERVICE BY APPROPRIATION

	(\$ in Millions)						
	FY 1998 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 1999 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>
Financing Adjustments	1,359.7	-	-	39.1	-	-	266.5
Total Budget Authority	97,215.3	-	-	98,059.3	-	-	103,533.6

Totas may not add due to rounding.

\*Transfer Accounts. The FY 1998 data is non-additive. The Department transfers these program funds to other appropriations (primarily Operations and Maintenance appropriations) where the Components manage, obligate, and expend the transferred funds for the purposes appropriated.

The amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms. TOA includes Budget Authority (BA) and financing adjustments. The previous summary table identifies the TOA by appropriation within the Operation and Maintenance (O&M) Title and also identifies the net financing adjustments. The FY 1999 financing adjustment increase of \$39.1 million is comprised primarily of contributions from allied nations for Defense burdensharing (\$+273.0 million), receipts involving disposal, lease, or recovery of DoD facilities and real property (\$+34.1 million), and restoration efforts at the Rocky Mountain Arsenal and Kaho'olawe Island (\$31.0 million). These increases in financing are offset by unobligated balances carried forward from FY 1998 appropriations for overseas contingencies (\$-342.5 million) and payments to former prisoners of war (\$-10.0 million). The FY 2000 financing increase of \$266.5 million is primarily due to contributions for Defense burdensharing and receipts for the disposal, lease, or recovery of DoD facilities and real property. There are no anticipated balances being carried forward in FY 1999 to offset these receipts as there are in FY 2000.

# OPERATION AND MAINTENANCE TITLE SUMMARY

(\$ in Millions)

FY 1998 Actual	Price Growth	Program Growth	FY 1999 Estimate	Price Growth	Program Growth	FY 2000 Estimate
97,215.3	+778.4	+83.6	98,077.3	+1,807.9	+3,648.4	103,533.6

O&M programs play a key role in the defense strategies of **Shape** and **Respond**. In their day-to-day missions, the Military Departments shape the international security environment in ways favorable to the U.S. interests. Especially crucial are the overseas deployments and superior capabilities of U.S. forces. America's military must also be capable of responding effectively to crises in order to protect our national interest, demonstrate U.S. resolve, and reaffirm our role as a global leader. U.S. forces must be able to execute the full spectrum of military operations – from deterring aggression and coercion, to conducting concurrent smaller-scale contingency operations, to fighting and winning major theater wars.

To fulfill these roles, U.S. forces must be prepared and ready to achieve their combat missions decisively. Resources dedicated to Operation and Maintenance (O&M) reflect the Department's commitment to readiness. Our first-to-fight forces are the best in the world. However, some later deploying forces are less ready and the intensity of operations has made readiness more difficult to sustain. To protect our military excellence and to reverse signs of any degradation in readiness, the FY 2000 budget begins the first sustained long-term increase in defense funding since the end of the Cold War.

The O&M Title increases \$5,456.3 million from FY 1999 to FY 2000. This increase is made up of \$1,807.9 million for pricing changes and \$3,648.4 million of program changes. Included as part of the program change are net transfers in of \$2,179.8 million, which includes financing adjustments of \$1,288.9 million for the Defense Commissaries and Pentagon Renovation. Once these changes are taken into account, program growth is \$1,468.6 million for new or expanded programs.

Budget authority at the O&M Title level also increases in FY 2000 as a percentage of the DoD National Defense Function. In FY 2000, the O&M share of the Defense budget is 38.7 percent, up from the FY 1999 level of 37.4 percent. The FY 1999 program includes the Emergency Supplemental which added \$1.9 billion for contingency operations in Bosnia, \$1.3 billion for readiness programs and over \$500 million for storm damage repair related to floods in Korea and hurricane damage to installations in the U.S. and Caribbean. It does not include resources for the Year 2000 Computer Compliance because the Office of Management and Budget (OMB) had not released those funds at the time the budget was prepared. The FY 2000 budget builds on readiness initiatives funded as part of the FY 1999 Emergency Supplemental and, funds contingency operations in Bosnia and Southwest Asia as part of the budget request.

## OPERATION AND MAINTENANCE TITLE SUMMARY

### O&M PROGRAM

#### PROGRAM CHANGE (FY 2000, \$+3,648.4 million):

The FY 2000 budget request for the O&M Title continues to support high levels of readiness. The following indicators reflect planned operating tempo (OPTEMPO) rates for FY 1999/FY 2000 and do not include contingency operations. The Active Army budget request supports objective OPTEMPO rates of 703/800 miles per year for tanks and 11.5/14.5 flying hours per crew per month. The Active Navy steaming days are at the planning level of 50.5/50.5 days per quarter for deployed fleets and 28.0/28.0 days per quarter for the non-deployed fleets. Further, active naval tactical air primary mission readiness (PMR) rates will remain steady and support 22.1/22.3 tactical flying hours per month per pilot. Similarly, active Air Force tactical fighter aircrew flying hour rates have been set at 17.7/17.2 flying hours per pilot per month and bomber crew OPTEMPO rates are budgeted to support 17.9/15.8 hours per crew per month. Reserve Component OPTEMPO rates increase substantially, particularly for the Army. Army Enhanced Separate Brigades are funded at 100 percent of the 310 mile training strategy. All other units in Force packages 1, 2 and 3 are fully funded at 100 percent of their 278 mile training strategy. The Army National Guard flying hour program of 9 hours per crew per month is fully funded.

The Department of Defense has been involved in several contingency operations during the 1990's. The two largest contingency operations are those related to Bosnia and Southwest Asia. Operations in Bosnia were funded as part of the FY 1999 Emergency Supplemental and \$1,462.6 million is requested in FY 2000 for O&M activities. (Military personnel requirements are requested in the respective military personnel account.) However, these amounts do not include the cost of any potential operation in or around Kosovo nor do they reflect any savings that may accrue as the U.S. reduces its force presence in Bosnia from 6,900 troops to 6,200 troops. For Southwest Asia, the U.S. remains committed to ensuring that security requirements are maintained and the budget requests \$925.0 million in FY 2000. This amount assumes a steady-state force level based on the force structure in place at the end of FY 1998. Consequently, it does not fund Desert Thunder (the aborted strike on Iraq in November 1998), Desert Fox (the limited air and missile strike on Iraq in December 1998), and the increased activity to maintain the no-fly zones. Overall, the Overseas Contingency Operations Transfer Fund increases \$89.0 million from \$2,298.6 million in FY 1999 to \$2,387.6 million in FY 2000.

Land Forces programs show a program increase of \$278.8 million and a price increase of \$66.4 million. This reflects the Army's full funding of OPTEMPO requirements of 800 mile for ground OPTEMPO. In addition, the Army has increased funding for the replacement of existing M1 tank tracks with a lighter and more durable track. The Marine Corps programs show a small decline due to the elimination of the Corrosion Control and Coating Program and reductions in the Initial Issue Program.

Air Operations increase by \$941.9 million for program growth and reflect a price decrease of \$330.2 million. The program increase demonstrates the concerted effort of the Services to adequately fund all aspects of the flying hour program – particularly spare and

## OPERATION AND MAINTENANCE TITLE SUMMARY

repair parts. Almost two-thirds of this increase occurs in the Air Force with significant increases in Primary Combat Forces, Air Operations Training, Base Support, and Flight Training. This reflects force structure changes and increased funding for depot level reparables from 95 to 100 percent of requirements. Navy Air Operations increase by over \$200 million with the largest increases in Flight Operations and Fleet Air Training for aviation depot level reparables. Army programs increase by almost \$100 million because of increased flying hours in the active, guard and reserve forces to enhance safety and crew readiness levels. Active Army crews will increase their monthly flying time from 11.5 hours to 14.5 hours. The price decrease is primarily a reflection of lower fuel prices in FY 2000.

Depot maintenance programs continue at the FY 1999 level, which included a congressional increase of \$263.2 million. Overall, the program shows a net increase of \$51.7 million. This change is composed of a program decrease of \$3.2 million and a price increase of \$55.0 million. The most significant changes are a program increase in the Navy of more than \$140 million primarily for additional ship overhauls and maintenance availabilities. This increase is offset by a decline in Air Force depot maintenance.

Mobilization reflects a program decrease of \$368.8 million offset by a price increase of \$45.8 million. Of this program decrease, just over \$225 million is due to a decline in Navy ship inactivations - 12 fewer conventional ships and 8 fewer submarine inactivations in FY 2000. The Air Force subsidy to the Transportation Working Capital Fund decreases but is offset by an increase for pilot production and aircraft contract maintenance and support requirements. The Army shows minor declines as some positioning efforts are finished and the Army's Deployment Outload program nears completion.

Training and Education programs show a small program decrease of \$36.8 million offset by price increases of \$127.2 million. Increases for pilot production and gender integrated training consistent with the Kassenbaum-Baker Commission report are offset by reductions associated with the renovation of Sims Hall and Roosevelt Hall, the demolition of excess facilities, completion of environmental projects, and the BRAC directed closure of the Naval Training Center in Orlando.

Environmental programs in the O&M Title decline by \$634.7 million which includes a BRAC financing entry of \$-453.9 million. The Environmental Compliance category shows the most significant decrease because of program efficiencies, the positive effect of DoD's pollution prevention practices, and the completion of several large nonrecurring projects associated with underground storage tanks and the Clean Water Act projects. The Department's proposed use of advance appropriations to fund all major construction projects in FY 2000 allows for the BRAC financing decrease of \$453.9 million. Environmental work schedules and projects will not be deferred or canceled because of this one-time action.

Real Property Maintenance (RPM) is now funded through both the Service accounts and through the recently established Quality of Life Enhancement Account. Combined, these programs show program growth of \$251.6 million and price growth of \$128.7 million.

## OPERATION AND MAINTENANCE TITLE SUMMARY

## OPERATION AND MAINTENANCE TITLE SUMMARY

This program growth is more significant because it is on top of a congressional increase of \$445 million in FY 1999. The Quality of Life Enhancement Account gives special emphasis to the repair of barracks, work places and other quality-of-life facilities and protects the funds from diversion to other O&M programs. The two year life of the program encourages better management of the account.

The O&M, Defense-Wide appropriation decreases by a net of \$7.6 million. This reflects program decreases of \$298.1 million and price increases of \$290.5 million. A decrease of about \$850 million is attributable to one-time congressional appropriations in FY 1999 for classified programs, antiterrorism, Impact Aid, mobility enhancements and other programs there were not extended into FY 2000. This decrease is offset by increases for classified programs; additional investments in the Standard Procurement System, the Defense Travel system, Electronic Commerce and the Defense Property Accountability System; enhancements to Special Operations Forces and joint force protection; increases for Information Technology Security and various other programs, and transfers for the Pentagon Renovation Transfer Fund and Joint Total Asset Visibility Program.

The O&M portion of the Defense Health Program (DHP) reflects price growth of \$349.8 million and program growth of \$234.4 million. Almost \$80.0 million of the increase is for two congressionally directed demonstration projects to test new health care options for over-65 military beneficiaries as well as a redesigned pharmacy benefit to include early implementation for over-65 beneficiaries in two locations. In-house care increases for advances in medical science and for initial outfitting of medical treatment facilities. Private sector care increases for Managed Care Support contracts and for additional care by designated providers. Other significant increases are in base operations to provide additional funding for the real property maintenance program.

## O&M FINANCING ADJUSTMENT

Program growth in FY 2000 includes the financing of the Defense Commissary Agency and the Pentagon Renovation. In FY 1999, these programs are funded in the Defense Working Capital Fund and Pentagon Renovation Transfer Fund, respectively. However, in FY 2000 these programs are financed through the O&M appropriations. This increases the O&M Title by \$1,009.1 million for the Defense Commissary Agency and \$279.8 million for the Pentagon Renovation.

## O&M PRICING

Price growth amounts shown in the previous table reflect the additional cost of executing the previous year's program at the next year's prices. In general, price growth amounts are estimated by applying price change rates to amounts budgeted for various commodity groups (i. e., civilian pay, Working Capital Fund purchases, medical supply purchases, general nonpersonnel purchases, etc.). Rates used for the major commodity groups follow:

## OPERATION AND MAINTENANCE TITLE SUMMARY

For civilian pay, FY 2000 price growth is based on annualization of FY 1999 locality pay raises for classified and wage board employees, which were effective January 1, 1999, and the portion of the FY 2000 pay increases scheduled to become effective January 1, 2000. It also provides for foreign national employee pay raises at the rates the host country provided its public sector personnel. For FY 1999, the budgeted pay increase, effective January 1, 1999, was 3.6 percent for classified and wage board employees. For FY 2000, the budgeted pay increase, effective January 1, 2000, is 4.4 percent for classified and wage board employees.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchases rate is 1.1/1.5 percent in FY 1999/FY 2000

Fuel purchase prices from the Working Capital Fund reflect an 8.8 percent decrease in FY 1999 and an average decrease of 25.3 percent in FY 2000. With these rates, Working Capital Fund customers pay an average cost per barrel of \$34.86 in FY 1999 and \$26.04 in FY 2000. The FY 2000 customer fuel prices are set based on revised estimates of fuel purchase inflation provided by OMB.

Other Working Capital Fund rates change by business area and vary significantly from year to year. The following list of rate changes in FY 2000 reflect those business areas that receive a significant amount of orders from customers with Operation and Maintenance funds: Army Managed Supplies and Materials (+1.6 percent), Navy Managed Supplies and Materials (-4.3 percent), Air Force Managed Supplies and Materials (+4.1 percent), Defense Logistics Agency (DLA) Managed Supplies and Materials (+4.7 percent), Navy Equipment Purchases (-4.3 percent), Army Depot Systems Command - Maintenance (+5.9 percent), Naval Aviation depots (+0.8 percent), Naval Shipyards (+8.3 percent), Depot Maintenance Air Force - Organic (-6.6 percent), Army Armament (-5.7 percent), and Army Information Services (+19.2 percent).

The budget request for FY 2000 is based on foreign currency rates that reflect market conditions in late 1998. The foreign currency rates improved slightly during FY 1998 when compared to the budget rates for FY 1998 and FY 1999. As a result, Congress revised the FY 1999 rates during the FY 1999 budget deliberations to reflect an optimistic increase in the purchasing power of the dollar. The FY 2000 rates reflect a decrease in the purchasing power of the U.S. dollar against most European countries, Korea and Japan. The three countries in which the DoD Components have their largest presence are Germany, Japan, and South Korea, and it is in these countries that the largest amount of foreign currency purchases are made. Compared to the German Deutsche Mark (DM), the U.S. dollar declines 11 percent in value, from 1.928 DM per U.S. dollar in FY 1999 to 1.7125 DM in FY 2000. For the Japanese Yen, the buying power of the dollar declines by 12 percent from 140.59 Yen in FY 1999 to 123.05 Yen in FY 2000. Likewise, the dollar declines in value to the Korean Won by 14 percent, moving from 1,446.75 Won in FY 1999 to 1,242.50 Won in FY 2000. To compensate for the decline in the buying power of the dollar, \$186.3 million was added to the Service accounts in FY 2000. This compares to FY 1999 when \$184.6 million less was required because of more favorable budget exchange rates.

## OPERATION AND MAINTENANCE TITLE SUMMARY

### NET FUNCTIONAL TRANSFERS (FY 2000, \$+2,179.8 million):

<u>Function/Activity</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Defense Commissary (Financing Adjustment)</b> Reflects the decision of the Department to fund the Defense Commissaries through the Service appropriations. The Department transferred this function to the Services in FY 1999, however the Congress appropriated these funds to the Defense Commissary Agency. Therefore, this appears as a new program in the Service FY 2000 budget request.	+1,009.1	
<b>Pentagon Renovation (Financing Adjustment)</b> Reflects the decision of the Department to fund the renovation of the Pentagon through the Service appropriations. In FY 1999, the Congress appropriated funds for the renovation of the Pentagon to a transfer account. In FY 2000, the Department has budgeted for both the operation and renovation of the Pentagon in the Service appropriations.	+279.8	
<b>Base Operations Support.</b> This realigns base support resources and associated functions previously funded within the Research, Development, Test and Evaluation, (RDT&E) Army appropriation. This makes the Army consistent with the Air Force by funding the common base support functions of all installations within the O&M appropriations. (Most Navy installations are funded through the working capital fund.)	+464.0	
<b>Military to Civilian and A-76 Conversions.</b> The Air Force transfers funds from their Military Personnel appropriation to support competition and privatization initiatives.	+314.8	
<b>Joint Warfare Analysis Center.</b> Transfers funding and civilian personnel (352 FTEs) for this Center from RDT&E, Navy.	+44.9	
<b>Classified Program.</b> Transfers a classified program from RDT&E, Navy.	+49.7	

OPERATION AND MAINTENANCE TITLE SUMMARY

<u>Function/Activity</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Leased Vehicles.</b> The Air Force transfers funds previously budgeted for the procurement of non-Tactical vehicles from Other Procurement, Air Force to O&M, Air Force. These funds will be used to lease non-tactical vehicles from GSA.	+12.0	
<b>Other Transfers-In.</b> Reflects the total of smaller transfers into O&M for various reasons.	+74.1	
<b>Army Loan Repayment Program.</b> Transfers this program into the Military Personnel Army appropriation.		-24.0
<b>ADP Hardware.</b> Transfers funds for the purchase of computer equipment that are more properly classified as an investment item rather than an expense item. These funds transfer from O&M, Marine Corps to Procurement, Marine Corps.		-18.6
<b>Naval Ordnance Center Transfer.</b> Transfers funds from various appropriations into Military Personnel Navy and Other Procurement, Navy to consolidate the NOC function. The amount shown reflects only the transfer out of O&M appropriations.		-12.7
<b>Other Transfers-Out.</b> Reflects the total of smaller transfer out of O&M for various reasons.		-13.3
<b>TOTAL</b>	<b>+2,248.4</b>	<b>-68.6</b>



# ARMY

(\$ in Millions)

FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
19,275.3	+347.3	-2,516.6	17,106.1	+582.4	+972.5	18,661.0

The Operation and Maintenance, Army appropriation provides for the day-to-day operations of units, schools and power projection platforms, which in combination support a strategically ready force -- a force of decision -- the United States Army. This appropriation contributes to readiness by supporting tough, realistic training; providing for improved maintenance of equipment and facilities; and providing the highest possible quality of life for soldiers and their families. The FY 2000 budget request of \$18,661.0 million includes price growth of \$582.4 million and net program growth of \$972.5 million (5.5 percent). These funds support the following major categories of mission operations.

Operating Tempo (OPTEMPO). The Army's ground OPTEMPO and flying hour programs have been funded to fully support readiness goals. The FY 2000 budget request supports ground OPTEMPO of 800 home station miles per year for the M1 Abrams Tank (934 miles for the M2 Bradley Infantry Fighting Vehicle and 970 miles for the M3 Bradley Cavalry Fighting Vehicle) and an average of 14.5 flying hours per crew per month for the Active Component. In selected units, OPTEMPO miles include live (ground) as well as a small number (60) of Close Combat Tactical Trainer (simulator) miles. The Operation and Maintenance, Army budget will support 10 brigade rotations through the National Training Center, 10 brigade rotations through the Joint Readiness Training Center, and 5 brigade rotations through the Combat Maneuver Training Center. Additionally, 5 divisions, 3 corps staffs, 14 National Guard brigade staffs, and 1 Command and General Staff College (CGSC) Prairie Warrior Exercise will participate in the Battle Command Training Program.

Institutional Training and Recruiting. The FY 2000 budget request provides funding to implement the Kassebaum-Baker Report on Gender Integrated Training and the Army's Human Relation Action Plan to improve staffing and infrastructure. This funding provides for civilians to perform specific duties now being performed by drill sergeants and instructors. Currently, drill sergeants and instructors are being diverted from their primary duties to perform support functions for Advanced Individual Training such as support for field training exercises; hauling equipment, food, and ammunition; and preparing and maintaining training sites. The Army will return drill sergeants and instructors to their primary duties as trainers for Initial Entry Training and Advanced Individual Training. Implementation of this initiative supports the Army's overarching goals to strengthen trainees' "corporate pride" and reinforce traditional Army values. The end result is a trained soldier with reinforced Army values and heritage. The FY 2000 budget request provides additional funding for Flight Training to support pilot training. The Army continues fielding the UH-60 Black Hawk and AH-64A Apache to the Army National Guard, and the AH-64D Apache Longbow to the Active Component. An increase of warrant officer accessions is required to

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offset the "under accession" in previous years and to bolster the pool of pilots available to sustain the current force and support modernization and fielding efforts. To help meet the Department's recruiting goals, the FY 2000 budget request contains additional funding to provide adequate space for Services' recruiters and to relocate administrative functions to military installations. The budget request also supports the leasing of 120 new recruiting stations to house an additional 700 recruiters to assist in meeting accession goals.

Sustainment. Supplying and maintaining equipment for Army soldiers is essential to overall readiness. The FY 2000 budget supports sustainability by funding an executable depot maintenance program and critical logistics support programs such as second destination transportation, supply depot operations, the Conventional Ammunition Management Program, and Army Prepositioned Stocks (APS). Additionally, depot maintenance experiences program growth of 2.6 percent in FY 2000, even after considering the impact of FY 1999 congressional increases to this program, in order to fully support implementation of the M1 Tank Abrams Integrated Management (AIM) XXI Program.

Mobilization. The Army's Strategic Mobility Program (ASMP) remains the cornerstone of the Army's deployment capability. Within the ASMP program, the FY 2000 budget funds additional requirements associated with the transload of equipment from the interim Large Medium Speed Roll-On Roll-Off Ships (LMSRs) to the new build LMSR ships. The Army will upgrade and repair many of the prepositioned stocks in CONUS to include pipeline and water purification systems and maintenance shelters. Additionally, the budget request supports realignment of ammunition Operational Project Stocks in the Pacific theater and performance of previously deferred maintenance on ammunition in Korea. The FY 2000 budget request continues the deployment outload initiatives at a reduced level to reflect the program nearing its end state.

Quality-of-Life: Critical to maintaining readiness is providing consistent high quality-of-life (QOL) throughout the Army, which includes providing adequate housing and support facilities, promoting soldier and family self-reliance, resiliency, and stability through various support services. The benefits from such services are high soldier retention and sustained readiness levels. Essential morale, welfare, and recreation programs must be maintained at a consistent level for the benefit of the soldiers and their families. The FY 2000 budget request maintains a high priority on QOL needs. This budget meets the goal of funding Child Development Programs to provide service for 65 percent of the child care demand and continues to support family programs at the FY 1999 levels for Youth Services Program initiatives. The FY 2000 budget request of \$828 million for real property maintenance combined with the QOL funding of \$626 million earmarked for Army Active Component will fund focused initiatives of barracks upgrade and utility modernization and cover 78 percent of sustainment requirements. The budget request also funds Base Operations Support at 96 percent of requirements which enables installation commanders to provide essential support services and curtail migration of resources from mission programs during execution.

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Facilities. The posts, camps, and stations provide the platform needed to train and launch today's power projection Army. The FY 2000 budget ensures this platform will be fully operational by funding key base support components to include communications, engineering and public works, and minor repairs and maintenance.

### Explanation of Funding Changes for the Operation and Maintenance, Army Appropriation

#### Budget Activity 1: Operating Forces

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
9,926.6	+163.6	-1,651.4	8,438.7	8,874.3
			+291.8	+143.8

The FY 2000 budget request of \$8,874.3 million for the Operating Forces budget activity supports the requirements for three Activity Groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. These resources finance the day-to-day operations of the Army's active forces and support the combat units' readiness training activity levels. The Activity Group budget structure for the Operating Forces budget activity, implemented in FY 1998, clearly portrays readiness resources and provides increased visibility of all mission resources for planning, programming, and execution. The Land Forces activity group provides resources for distinct facets of the operating forces (e.g., divisions, corps combat forces and echelon above corps forces) and special force related training activities (i.e., combat training centers). The Land Forces Readiness activity group supports key activities essential to operational readiness, such as depot maintenance, participation in joint exercises, and combat development. And, lastly, the Land Forces Readiness Support activity group provides for infrastructure maintenance and support, management headquarters, unified command support, and special activities of the operating forces.

The FY 2000 budget request increases by \$435.6 million above the FY 1999 funding level. This includes a price increase of \$291.8 million and a net program growth of \$143.8 million (1.6 percent). Major program changes between FY 1999 and FY 2000 include the following:

- A transfer *out* of \$174.2 million from the Operation and Maintenance, Army (OMA) appropriation to the Quality of Life Enhancements, Defense (QOLE,D) appropriation for Army QOL projects such as barracks and utility systems.
- A transfer *in* of \$14.3 million from the Operation and Maintenance, Defense-Wide appropriation for Weapons of Mass Destruction (WMD) to properly align resources for the Domestic Preparedness Program (DPP).

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- A transfer in of \$5.0 million from Budget Activity 4 (Administration and Servicewide Activities) to align all maintenance and repair funding for the George C. Marshall Center into a single budget activity.
- An increase of \$208.6 million in training and associated unit maintenance to fully support a planned ground OPTEMPO of 800 home station miles for the M1 tank.
- An increase of \$147.9 million for the Flying Hour Program to provide additional flying hours (from 11.5 to a 14.5 hrs/crew/month) for pilots in the Aviation Restructure Initiative (ARI), an initiative to integrate modernized aircraft into the fleet.
- An increase of \$213.1 million in Base Operations Support that enables Army installations to provide essential support and curb migration from unit training accounts during execution.
- An increase of \$71.8 million for essential programmatic costs associated with the Army Warfighting Experiment (AWE) Force XXI for the digitized divisions and Strike Force Experimentation.
- An increase of \$71.6 million to fully implement the AIM XXI Program to rebuild the M1A1 tank and to support the repair of 130 Bradley Fighting Vehicles (BFV) cascading to the National Guard.
- An increase of \$29.2 million to support the Homeland Defense Against WMD program and the DPP -- with the transfer in, a total of \$43.5 million will be provided for these efforts.
- An increase of \$28.1 million for Long Haul Communications costs associated with increased demands on telecommunications needed to supplement reductions in personnel, fewer travel events, and new or modified information systems.
- An increase of \$27.2 million for Soldier Modernization to fund life support/mission enhancing clothing and individual equipment to Force Packages I through III.
- An increase of \$25.8 million for Active Component Support to Reserve Components (RC) in support of Training Support XXI (TSXXI) to ensure "Full Up" Training Assessment Model (TAM) evaluations for all priority (first to fight) RC units.
- An increase of \$15.6 million to continue Army efforts to demolish excess facilities.
- A decrease of \$12.1 million in depot maintenance for UH-60 helicopter refurbishment, elimination of C-12 fixed wing aircraft requirements, and an overall reduction in aircraft end item support requirements.
- A decrease of \$16.6 million to defer Integrated Training and Management Program (ITAM) based on efficiencies assumed from integrating this program with other Army training programs that deal with land and other natural resources.
- A decrease of \$22.4 million in depot maintenance support primarily to Patriot missiles based upon an approved reduction in U. S.-owned but German-manned Patriot missiles.
- A decrease of \$353.5 million reflecting the one-time increase of the FY 1999 Emergency Supplemental for readiness support (\$219.9 million) and storm damage in South Korea (\$133.6 million).
- A decrease of \$47.0 million resulting from successful execution of the Panama Canal Treaty with the closing of facilities in Panama and the relocation of operations to Puerto Rico and Miami during FY 1999.

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- A decrease of \$43.8 million from A-76 savings associated with reduced personnel costs due to outsourcing and overall installation efficiencies.

### Budget Activity 2: Mobilization

(\$ in Millions)					
FY 1998	Actual	Price		FY 1999	
		Growth	+11.3	Estimate	Estimate
	515.3			569.2	
		Program Growth		Program Growth	
		+42.6		-33.0	
				FY 2000 Estimate	
				560.0	

The FY 2000 budget request of \$560.0 million for the Mobilization budget activity provides funding for the Strategic Mobilization mission in support of crisis response through the prepositioning of equipment, the rapid deployment of CONUS based forces, and sustainment of industrial base preparedness.

The FY 2000 budget request declines by \$9.1 million below the FY 1999 funding level. This includes a price growth of \$23.9 million and net program reductions of \$33.0 million (5.6 percent). Major program changes between FY 1999 and FY 2000 include the following:

- A transfer *in* of \$10.0 million from Operation and Maintenance, Navy appropriation for Unutilized Plant Capacity for port operations at the Naval Weapons Station Concord, CA.
- An increase of \$23.2 million for Army Prepositioned Stocks Afloat to support the transload of 3 Large Medium Speed Roll-On/Roll-Off ships (LMSRs).
- An increase of \$18.0 million for Army Prepositioned Stocks (Non-Ammunition) in CONUS to support the assembly and upgrade of the Inland Pipeline Distribution System, upgrade water purification systems, and refurbish portable maintenance shelters.
- An increase of \$3.9 million for Army Prepositioned Stocks (Ammunition) in the Pacific to support additional ammunition Care of Supplies in Storage (COSIS) for movement of an ammunition Operational Project to Japan.
- A decrease of \$27.1 million for Army Prepositioned Stocks (Non-Ammunition) in South West Asia to reflect reduced requirements for movement into and between theaters, care of stocks in storage, and management and oversight of the fielding operation commensurate with the completion of the brigade set and division base fielding in Qatar.
- A decrease of \$13.5 million for Army Prepositioned Stocks (Non-Ammunition) in Europe to reflect the deferral of maintenance and consolidation of stocks in Europe.

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- A decrease of \$35.7 million for Real Property Maintenance associated with the ramping down of the deployment outload program as it nears program end-state.

### Budget Activity 3: Training and Recruiting

(\$ in Millions)					
FY 1998	Price	Program	FY 1999	Price	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Estimate</u>
3,255.6	+62.7	-134.8	3,183.5	+74.6	3,171.8
				-86.2	

The FY 2000 budget request of \$3,171.8 million for the Training and Recruiting budget activity supports funding requirements for three Activity Groups: Accession Training, Basic Skill and Advanced Training, and Recruiting and Other Training and Education. These resources provide the cornerstone for the Army's ability to attract, recruit, and produce a trained force to meet the Army's mission.

The FY 2000 request declines \$11.6 million below the FY 1999 funding level. This includes price growth of \$74.6 million and a net program reduction of \$86.2 million (2.6 percent). Major program changes between FY 1999 and FY 2000 include the following:

- A transfer *out* of \$24.0 million to Military Personnel, Army for the Loan Repayment Program to realign this program consistent with other enlistment incentive programs.
- A transfer *out* of \$79.3 million to the QOLE,D for Army QOL projects such as barracks, utility systems, etc.
- An increase of \$110.6 million in base operations support to enable Army installations to provide essential support and curb migration.
- An increase of \$50.7 million for flight training on modernized aircraft.
- An increase of \$13.1 million for implementation of the Kassebaum-Baker Gender Integrated Training recommendations to improve the training and living environments and integrate women into the training establishment.
- An increase of \$5.8 million for the Army Recruiting Information System (ARISS) to continue the fielding of laptops to recruiters.
- An increase of \$6.5 million in base operations support to establish 120 Navy recruiting stations to support 700 new recruiters.
- An increase of \$5.1 million in base operations support to eliminate overcrowding at current recruiting facilities and relocate administrative functions to military installations.

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- A decrease of \$24.3 million for expected savings generated from A-76 competitions accomplished in FY 1998 and FY 1999.
- A decrease of \$17.5 million in Training Support for Army Distance Learning Plan (ADLP) savings as traditional classroom costs and student travel and per diem costs are reduced.
- A decrease of \$7.2 million to reflect the FY 1999 completion of utility modernization efforts.
- A decrease of \$8.9 million for Civilian Education and Training as the civilian workforce continues to downsize.

### Budget Activity 4: Administration and Servicewide Activities

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
5,577.8	+109.9	-772.9	4,914.7	6,054.8
				<u>+947.8</u>

The FY 2000 budget request of \$6,054.8 million for the Administration and Servicewide budget activity supports funding requirements for four Activity Groups: Security Programs, Logistics Operations, Servicewide Support, and Support of Other Nations. These activity groups provide resources for the administration, logistics, communications, and other Servicewide support functions for Army forces worldwide.

The FY 2000 request increases by \$1,140.0 million above the FY 1999 funding level. This includes price growth of \$192.2 million and net program growth of \$947.8 million (18.6 percent). Major program changes between FY 1999 and FY 2000 include the following:

- A transfer *in* of \$431.4 million from the Research, Development Test and Evaluation (RDT&E), Army appropriation for base support costs (\$358.1 million base operations and \$73.3M real property maintenance) of seven installations.
- A transfer *in* of \$346.1 million for commissary operations, the result of the Defense Commissary Agency (DECA) devolvement.
- A transfer *in* of \$29.8 million for civilian personnel operations (\$7.6 million) and Defense Finance and Accounting Service support (\$22.2 million), formerly budgeted in the RDT&E, Army appropriation.
- A transfer *out* of \$21.4 million for the Joint Total Asset Visibility System to accompany the Executive Agency responsibility transfer to the Defense Logistics Agency.
- A transfer *out* of \$33.5 million to the QOLE,D for Army QOL projects such as barracks and utility systems.

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- An increase of \$95.2 million for payment to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) for the Army portion of costs to renovate the Pentagon.
- An increase of \$76.8 million for Second Destination Transportation to cover rate increases and restore a normal program balance.
- An increase of \$52.3 million for Central Supply Activities for Sustainment Systems Technical Support associated with critical go-to-war systems (Kiowa Warrior, Apache, Abrams, Bradley, Paladin, and the FAAS-V).
- An increase of \$49.4 million to enable Army installations to provide minimum essential base operations support and curb migration.
- An increase of \$10.0 million for the Military Munitions Rule to implement procedures for the handling of unexploded ordnance at the ranges/training areas in Army.
- A decrease of \$26.0 million for Other Service Support to reflect reductions in Army Field Operating Agencies associated with Army redesign initiatives.
- A decrease of \$36.8 million for expected savings resulting from A-76 competitions completed in FY 1998 and FY 1999.



# NAVY

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
22,354.8	-601.7	+110.4	21,863.5	22,238.7
			+165.3	+209.9

The Operation and Maintenance, Navy (O&M,N) appropriation finances the day-to-day costs of operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2000 budget is to continue to support the near-term readiness of deployed forces. This budget directs significant funding to programs like ship maintenance, flying hours, and aviation spares. These resources will allow the Department to achieve all ship and aircraft OPTEMPO goals for deployed and non-deployed forces and achieve the Navy's goals for performing depot level maintenance on ships. These actions and other funding adjustments provide the Fleet Commanders and the supporting shore establishment the necessary resources to meet the Department's mission.

The FY 2000 estimate of \$22,238.7 million includes a price increase of \$165.3 million. This price increase primarily results from civilian pay raises and general inflation offset by a reduction in anticipated fuel costs and reductions in some Working Capital Fund (WCF) rates. This budget includes program growth of \$208.9 million (1 percent) and provides significant increases for purchases of aviation depot level repairables, ship depot maintenance, and other operational and readiness requirements, offset by reductions in Ship Inactivations and a functional transfer of Real Property Maintenance funding to the Quality of Life Enhancements, Defense appropriation. Significant changes by budget activity are as follows:

## Budget Activity 1: Operating Forces

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
15,513.9	-581.0	+482.3	15,415.2	15,552.2
			+2.4	+134.6

The Operating Forces budget activity funds the Navy's air operations, ship operations, combat operations/support, and weapons support. Included in this budget activity are the costs associated with operating Navy shore bases to support these missions. Also included are the funds required to maintain combat ready forces necessary to respond to national objectives in joint, naval and combined operations. It supports the forward presence and crisis response capabilities of the National Military Strategy.

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The FY 2000 budget request of \$15,552.2 million includes pricing increases of \$2.4 million and program growth of \$134.6 million (0.9 percent). Major programmatic changes for this budget activity include:

The FY 2000 request of \$3,833.8 million for Air Operations increases by \$36.4 million over the FY 1999 funding level. This increase is composed of a price decrease of \$167.3 million and net program growth of \$203.7 million (5.3 percent). The price decrease reflects a reduction in the price of fuel changed by the Defense Fuel Supply Center. Program growth is primarily attributable to aviation depot level repairable (AVDLR) purchases and investment in re-designed aviation parts and components that improve reliability and maintainability. The FY 2000 funding request sustains the flying hour Primary Mission Readiness (PMR) goal of 85 percent. Estimates for aircraft depot maintenance decrease as a result of the one-time congressional increase in FY 1999 of \$75 million.

The FY 2000 request of \$6,284.1 million for Ship Operations increases by \$188.8 million over the FY 1999 funding level. This increase is composed of a price increase of \$26.8 million and net program growth of \$162.0 million (2.6 percent). The price increase includes working capital fund rate increases at Naval Shipyards, offset by a significant decrease in the Mission and other Ship Operations account due to a 25 percent decrease in the price of conventional ship fuel. The program growth is primarily attributable to increased requirements in the Depot Maintenance program, including four additional submarine overhauls. This budget funds 94 percent of ship depot maintenance requirements, an improvement over recent levels. The Ship Steaming Operations program is essentially unchanged from the FY 1999 level and fully supports the deployed/nondeployed OPTEMPO goals of 50.5/28.0 steaming days per quarter.

The FY 2000 request of \$1,439.6 million for Combat Operations/Support programs reflects an increase of \$74.0 million over the FY 1999 funding level. This increase is composed of a price increase of \$41.2 million and net program growth of \$32.9 million (2.3 percent). Included in this growth are program increases in the antenna maintenance program for \$8.0 million; Space Systems and Surveillance and Combat Support Forces programs for Joint Tactical Force - Full Accounting (JTF-FA) for \$5.7 million; upgrades to C4I systems for \$4.6 million; additional Asia Pacific Center Staff for \$4.8 million; mine warfare units operations and equipment maintenance for \$6.2 million; and a FY 1999 congressional ADP legacy systems reduction of \$23.8 million not extended into FY 2000. These increases are partially offset by outsourcing initiatives in Operation of Meteorology and Oceanography.

The FY 2000 request of \$1,381.5 million for the Weapons Support program decreases by \$4.3 million below the FY 1999 funded level. This net decrease is composed of a price increase of \$31.8 million offset by net program decrease of \$36.1 million (0.3 percent). The program decrease is primarily attributed to a functional transfer of sensitive ordnance security efforts to the Ship Operational Support and Training SAG and transfer of funds for Naval Weapons Stations to direct mission funding from the Working Capital Fund.

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The Real Property Maintenance (RPM) and Base Operations Support (BOS) functions of this activity group were restructured in FY 1999 as part of the Navy's installation claimant consolidation (ICC) initiative reducing the number of infrastructure-owning claimants. The FY 2000 budget request of \$2,572.6 million for RPM and BOS includes a net reduction of \$155.8 million below the FY 1999 funded level. This includes price growth of \$69.9 million and program decline of \$255.5. The FY 2000 program growth for BOS (\$58.8 million) is affected by ICC and the realignment of common support services at selected industrial facilities (Working Capital Fund), which are now budgeted as part of the Operation and Maintenance, Navy appropriation. The RPM program decrease of \$284.5 million is due to a transfer of \$348.8 million to the Quality of Life Enhancements, Defense appropriation which more than offsets the RPM reduction in this and the other budget activities.

### **Budget Activity 2: Mobilization**

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
1,214.4	-104.8	-121.4	988.2	761.9
				<u>Program</u>
				<u>Growth</u>
				-255.5

The Mobilization budget activity maintains assets that will support forces that rapidly respond to unforeseen contingencies throughout the world. Also funded is the maintenance, overhaul, and calibration of Navy-Type Navy-Owned (NTNO) equipment installed on Coast Guard ships and aircraft. Additionally, it funds the inactivation of ships, submarines, and aircraft and includes the maintenance of selected inactive ships and aircraft as well as material disposal costs. The FY 2000 program of \$761.9 million includes a price increase of \$29.2 million and program decreases of \$255.5 million (21 percent).

Major programmatic changes include a significant decrease in the ship inactivation workload of \$262.6 million due to fewer submarine, nuclear cruisers, aircraft carrier and conventional ship inactivations for FY 2000. A decrease of \$12.1 million in Industrial Readiness program reflects the transfer of mobilization support for two Naval Weapons Stations to the Receipt, Segregation, Storage, and Issue program. These decreases are partially offset by the addition of a Maritime Prepositioned Force (Enhanced) Ship (\$2.0 million).

### **Budget Activity 3: Training and Recruiting**

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
1,684.2	+14.5	+57.5	1,756.2	1,722.5
				<u>Program</u>
				<u>Growth</u>
				-59.3
				<u>Price</u>
				<u>Growth</u>
				+25.6

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The Training and Recruiting budget activity funds all centrally managed or directed individual training required to meet Navy training standards. This includes accession training, basic skills training, and professional military education provided at the Naval War College, the Naval Postgraduate School, and the Armed Forces Command and Staff College. It also includes Navy recruiting and advertising, centralized civilian training programs, the Junior Navy Reserve Officer Training Corps, and all base operating support for the above programs. Team training for ships of battle groups is funded in the Operating Forces budget activity, as is all advanced and refresher flight training and aircraft carrier qualifications. The FY 2000 request of \$1,722.5 million reflects a net funding decrease of \$33.7 million, which consists of price growth of \$25.6 million and net program decrease of \$59.3 million (3.4 percent), more than offset by \$132.0 million decrease for net transfers out of the account.

The Accession Training subactivity group (SAG) includes funding for recruit training, Naval Academy operations, and Reserve Officer Training Scholarships. The FY 2000 budget request of \$1,722.5 million increases by \$6.3 million above the FY 1999 funding level. This increase is composed of a price increase of \$3.8 million and net program growth of \$2.5 million (0.1 percent). The program increase is primarily for tuition and other costs increases in support of the Professional Military Professor program at the Naval Academy and the expansion of the Seaman to Admiral Program.

The Basic Skills and Advanced Training SAG supports specialized skill training, initial flight training, professional development training and training support. The FY 2000 budget request of \$869.6 million increases by \$56.6 million above the FY 1999 funding level. This increase is composed of a price increase of \$2.2 million and net program growth of \$54.4 million (6.7 percent). The program increase is primarily for the development and implementation of the FY 2000 phase of Introductory and Advanced Automated Electronic Classroom and Learning Resource Center training technology initiatives (\$44.7 million), outsourcing military billets (\$17.3 million), and delivery of ten additional T-45A aircraft which are partially offset by savings associated with the phase-out of the T-2C and TA-4J aircraft.

The FY 2000 budget request of \$337.1 million for the Recruiting and Other Training and Education program increases \$38.5 million above the FY 1999 funding level. This increase is comprised of \$5.9 million for price inflation and \$32.6 million (10.9 percent) for net program growth, primarily for the upgrade of the Recruiting Tools for the 21<sup>st</sup> Century (RT-21) and Personnel Recruiting for Immediate and Delayed Enlistment (PRIDE) systems (\$12.6 million), costs in support of additional recruiters (\$8.1 million), tuition assistance for both undergraduate and graduate work and increases to the Acquisition Workforce Program (\$11.9 million).

The RPM and BOS functions of this activity group were restructured in FY 1999 as part of the Navy's installation claimant consolidation (ICC) initiative reducing the number of infrastructure owning claimants. The FY 2000 budget request of \$364.5 million for the FY 2000 BOS declines by \$15.4 million which is caused by further ICC, completion of various base support projects in FY

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1999, and outsourcing and regionalization initiatives. The RPM program declines by \$133.5 million due to the transfer of program funds to the Quality of Life Enhancements, Defense appropriation.

### Budget Activity 4: Administrative and Servicewide Support

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
3,942.3	+69.6	-308.0	3,704.0	4,202.1
				+390.1
				+108.0

The Administration and Servicewide Support budget activity funds shore based activities required for the effective operation of the Department of the Navy. The general services provided include administration and personnel support, engineering and acquisition support, security and investigative support, humanitarian and civic support, centralized transportation, communications services, and base operating support. The FY 2000 budget request of \$4,202.1 million includes price growth of \$108.0 million and a net program increase of \$390.1 million (9.3 percent), including \$263.1 million for the Defense Commissary. Major programmatic changes for this budget activity are as follows:

The FY 2000 budget request of \$1,709.8 million for the Servicewide Support SAGs increases by \$353.7 million over the FY 1999 funding level. This increase is composed of a price increase of \$42.7 million and net program growth of \$311.0 million (2.3 percent). A significant part of the program growth (\$262.4 million) is attributable to the Department's proposal to include funds for commissary operations in the Service accounts for reimbursement to the Defense Commissary Agency (DeCA). These funds provide for continued commissary management and operation by the Defense Commissary Agency in the Defense Working Capital Fund. Also reflected is a \$28.6 million increase for the Pentagon Reservation Maintenance Revolving Fund (PRMRF), which was financed in a separate PRMRF account in FY 1999, and \$87.3 million for increased communications requirements. These increases are partially offset by elimination of one-time FY 1999 costs for the creation of a Fisher House Non-Appropriated Fund of \$5.1 million and payments arising from the Cavalese aircraft accident of \$20.2 million, the transfer of \$22.5 million for the Central Design Activities to the Operation and Maintenance, Navy Reserve appropriation, and savings of \$12.2 million attributable to the Navy's implementation of a National Performance Review initiative to consolidate and streamline the delivery of human resources services of \$12.2 million.

The FY 2000 budget request of \$329.8 million for the Planning, Engineering and Design program declines by \$24.6 million below the FY 1999 funding level. This decrease is composed of a price increase of \$12.2 million and net program decreases of \$36.8 million (10.4 percent). The program decreases in FY 2000 are largely due to personnel downsizing initiatives and headquarters realignment

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(\$11.8 million) and FY 1999 congressional increases for the Adak facilities remediation (\$15.2 million) and the Navy Environmental Leadership program not continued into FY 2000 (\$3.0 million).

The FY 2000 budget request of \$681.7 million for the Acquisition and Program Management increases by \$94.0 million over the FY 1999 funding level. This increase is composed of a price increase of \$18.4 million and net program growth of \$75.6 million (12.9 percent). The program increase is primarily attributable to the functional realignment of Naval Ordnance Center to direct mission funding operations from Working Capital Fund (\$14.3 million), consolidation of various acquisition organizations to improve and standardize the facilities-related acquisition process (\$23.9 million), and the transfer of classified programs from the Research, Development, Test and Evaluation, Navy appropriation (\$49.7 million).

The FY 2000 budget request of \$271.4 million for the Air Systems Support increases by \$11.6 million over the FY 1999 funding level. This increase is composed of a price decrease of \$1.5 million and net program growth of \$13.0 million (4.8 percent). The program increase is primarily attributable to engineering and logistics support to extend the service life of the AV-8B aircraft (\$9.1 million) and logistics support analyses to maintain an aging fleet of aircraft (\$9.6 million). These increases are partially offset by a decrease reflecting the partial completion of converting military specifications to commercial standards (\$13.9 million).

The FY 2000 budget request of \$584.4 million for the Investigations and Security program increases by \$21.5 million. This increase is composed of a price increase of \$13.4 million and net program growth of \$8.1 million (1.4 percent). The program increase is primarily attributable to the Naval Criminal Investigative Service (NCIS) increased cost for Defense Security Service (DSS) background investigations and for additional support required by Defense Counterintelligence Program of \$17.7 million. This program increase is partially offset by a decrease in the National Foreign Intelligence Program (Consolidated Cryptologic Program, General Defense Intelligence Program, and the Foreign Counterintelligence Program) to reflect reduced classified requirements (\$9.6 million).

The RPM BOS functions of this activity group were restructured in FY 1999 as part of the Navy's ICC initiative reducing the number of infrastructure owning claimants. The FY 2000 request of \$287.7 million increases by \$23.6 million over the FY 1999 funded level. The FY 2000 program growth for BOS (\$3.3 million) is due to the ICC initiative. The RPM program increase of \$20.3 million reduces the growth in the Navy-wide maintenance backlog.

## MARINE CORPS

(\$ in Millions)					
FY 1998	Price	Program	FY 1999	Price	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Estimate</u>
2,466.3	+36.5	+88.2	2,591.0	+58.2	2,558.9
				-90.3	

The Operation and Maintenance (O&M), Marine Corps appropriation provides the funding for Marine Corps missions, functions, activities, and facilities except for those requirements related to procurement of major items of equipment and ammunition, military personnel, military family housing, the operation and maintenance of the Marine Corps Reserve, and those functions supported by Navy sponsored appropriations.

The funds contained in this appropriation are intended primarily for the support of the Fleet Marine Forces, which consist of 139,652 active military and 11,888 civilian personnel in FY 1998; 138,083 active military and 11,895 civilian personnel in FY 1999; and 139,290 active military and 11,542 civilian personnel in FY 2000. The primary Marine Corps objective is to train and maintain the Fleet Marine Forces at a high level of combat readiness for service with the fleet, ashore, or for such other duties as the President may direct.

The two Fleet Marine Forces supported by this appropriation are composed of Marine Expeditionary Forces (Division/Wing/Service Support Group Task Organizations), including a combination of combat and combat service support organizations and a variety of supporting units. Funds are also provided to support two landing force training commands, Marine detachments afloat, the security forces assigned to Naval and other government activities ashore, maritime prepositioning ships, and Norway prepositioning.

Shore facilities receiving funding support from this appropriation are: three major bases; two recruit depots; eleven air installations; two logistics bases; one Marine Corps Combat Development Command; one Marine Corps Systems Command; one Marine Corps Air-Ground Combat Center; and two Expeditionary Warfare Training Groups. These facilities are being maintained at standards that will permit effective utilization, avoid major replacement costs, and allow operation and maintenance on an economical and effective basis.

The individual training of enlisted personnel and officers from basic training to the highest Marine Corps technical training and the advanced training at schools of the other Services and at civilian institutions are funded in this appropriation. Such schooling is designed to produce highly trained and disciplined officers and enlisted personnel for duty with the Fleet Marine Force, capable of leadership growth as well as effective performance.

## MARINE CORPS

This appropriation also supports the Marine Corps supply system. The principal objective of the supply system is to provide Marine activities/units with the proper material and equipment in the quantity, condition, time, and place required. Further, it supports other miscellaneous activities such as special training, second destination transportation of things, recruiting, equipment overhaul and repair, and miscellaneous expenses.

The FY 2000 O&M budget request of \$2,558.9 million reflects a net decrease of \$32.1 million from the FY 1999 funding level. The decrease includes \$58.2 million in price growth and a \$90.3 million (3.4 percent) net decrease in functional transfers and program changes. The detailed explanations of transfers and program changes are explained below.

### Budget Activity 1: Operating Forces

(\$ in Millions)					
FY 1998	Price	Program	FY 1999	Price	Program
Actual	Growth	Growth	Estimate	Growth	Growth
1,800.4	+27.5	+74.5	1,902.4	+39.9	-196.3
					<u>Estimate</u>
					1,751.8

The Operating Forces budget activity is comprised of two activity groups, Expeditionary Forces and USMC Prepositioning.

The Expeditionary Forces activity group provides funding for the operating forces that constitute the Marine Corps Air-Ground Team and Marine security forces at Naval installations and aboard Naval vessels. The field logistics and depot maintenance programs in support of the operating forces are also funded in this activity group as the base support functions for Marine Corps Bases, Camps, Air Stations, and Logistics Bases supporting the Fleet Marine Forces.

The USMC Prepositioning activity group finances the Maritime Prepositioning Forces (MPF) program, the Norway Air Landed Marine Expeditionary Brigade (NALMEB) program and the Aviation Logistics Support Ships (TAVB) program.

The FY 2000 budget request of \$1,751.8 million for Operating Forces reflects a net decrease of \$150.6 million from the FY 1999 funding level. The decrease includes \$39.9 million in price growth and a \$196.3 million (9.8 percent) net decrease from functional transfers and program changes. Major changes in FY 2000 include a program increase of \$16.8 million in Operational Forces to stock fund Critical Low Density (CLD) Depot Level Repairables (DLRs) through the O&M, MC appropriation. This increase is offset by program decreases resulting from one-time FY 1999 congressional increases for Personnel Tempo (PERSTEMPO) relief initiatives, Initial Issue gear, Combat equipment, and Force maintenance totaling \$39.4 million. The functional transfer of real property maintenance projects to the of Quality of Life Real Property Maintenance programs to the Quality of Life Enhancements, Defense



## MARINE CORPS

(QOLE,D) appropriation reduces the FY 2000 program by \$71.4 million. Other program decreases include the removal of dual base funding for Marine Corps Air Stations El Toro and Tustin (\$7.0 million) and a reduction (\$18.3 million) in Base Support associated with the FY 1999 reprogramming from the Military Personnel, Marine Corps (MPMC) appropriation for a one time increase for personal support equipment for the Marine Corps whole room concept.

### Budget Activity 3: Training and Recruiting

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
389.1	+5.7	+22.5	417.3	416.4
				<u>-8.6</u>

The resources in the Training and Recruiting budget activity support recruiting, training and the education of Marines. Recruit training encompasses the transition from civilian life to duties as a Marine and includes an intense period of training designed to prepare the new Marine for assessment to units of the Fleet Marine Force, major posts and stations, and duty at sea aboard vessels of the U.S. Navy. Officer Acquisition encompasses training candidates for appointment as commissioned officers prior to actual commissioning in the Marine Corps and Marine Corps Reserve. Nominees undergo intense courses of instruction before actual commissioning.

Upon completion of Officer Acquisition Training or Recruit Training, the Marine is assigned to courses of instruction to acquire the requisite skills necessary to meet the minimum requirements of a Military Occupational Specialty (MOS). In the case of an officer, this course involves completion of The Basic School at the Marine Corps Combat Development Command (MCCDC), Quantico, Virginia and the assignment to a MOS qualifying course such as the Infantry Officer Course or the Communication Officers School. The enlisted Marine undergoes Specialized Skill Training at Marine Corps installations or at schools run by the other Services, depending on his/her designated MOS.

This budget activity also funds training support for costs associated with travel and per diem for those Marines attending Service and civilian schools away from their permanent duty stations. Also funded are costs for training support equipment, audiovisual aid, computer-assisted training programs, and direct administrative support to the training management functions and the Marine Corps Institute.

## MARINE CORPS

The FY 2000 budget request of \$416.4 million for Training and Recruiting reflects a net decrease of \$0.9 million from the FY 1999 funding level. The decrease includes \$7.7 million in price growth and a \$8.6 million (2.0 percent) net decrease from functional transfers and program changes. Major changes in FY 2000 include: increased funding for Professional Development in support of the College of Continuing Education (\$1.4 million), increase to support newly fielded equipment and Contractor Operation and Maintenance of Simulators (COMS) contracts (\$0.9 million), additional Real Property Maintenance to reduce backlog (\$4.1 million), and purchase of collateral equipment tied to military construction projects (\$1.5 million). Program increases are offset by decreases resulting from the transfer of Automated Data Processing hardware funding to the Procurement, Marine Corps (PMC) appropriation (\$3.9 million), from one-time FY 1999 increases from the MPMC reprogramming (\$4.5 million), and from one time FY 1999 congressional increases for Distance Learning (\$3.4 million) and the Junior ROTC program (\$1.4 million).

### Budget Activity 4: Administration and Servicewide Activities

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
Actual	Growth	Growth	Estimate	Estimate
276.7	+3.3	-8.7	271.3	390.8
				+114.7

The Marine Corps-wide efforts of special support, transportation, personnel management, and headquarters base support are financed in the Administration and Servicewide activity group. In addition, civilian personnel salaries and the department and staff management of Headquarters, Marine Corps are funded within this budget activity.

The Special Support subactivity group provides funding for the support of Marine Corps prisoners confined at the Army Disciplinary Command, Fort Leavenworth, Kansas; the Marine Band located at the Marine Barracks, 8th and I Streets, Washington, DC; and Quality of Life (QOL) programs such as Childcare, Youth Development and Family Service Centers. Special Support also finances the administration of missions, functions, and worldwide operations of the Marine Corps. Cost of operations includes civilian personnel salaries, Defense Finance and Accounting Service (DFAS) reimbursement, automatic data processing, printing and reproduction, civilian and military travel, and personnel services on a Marine Corps-wide basis.

All costs related to Second Destination Transportation of cargo to the operating forces are funded in this budget activity group. Categories of transportation are: (a) Military Sealift Command for ocean cargo; (b) Inland Transportation by Commercial Carriers for movement between CONUS installations and ports; (c) Military Airlift Command for movement of priority cargo in support of Fleet Marine Force units; and (d) Military Traffic Management Command and commercial sources for port handling of ocean cargo.

## MARINE CORPS

Base operations support for Headquarters Battalion, Headquarters, Marine Corps and military personnel assigned to Headquarters, U.S. Marine Corps is funded within this budget activity. Also included in this budget activity are injury compensation payments and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases. Beginning in FY 2000, commissary operations funding is also included in this budget activity to support commissaries on Marine Corps bases.

The FY 2000 budget request of \$390.8 million for Administration and Servicewide Activities reflects a net increase of \$119.5 million from the FY 1999 funding level. The increase includes \$4.8 million in price growth and a \$114.7 million (41.5 percent) net increase from functional transfers and program changes. Major changes in FY 2000 include increases for Special Support programs including the Integrated Total Force Automated Personnel System pilot program (\$1.7 million); Paper-Free Planning, Programming, and Budgeting System (PPBS) system (\$0.2 million); Fee for Service costs incurred by DFAS, Defense Information Systems Agency (DISA) and the Defense Security Service Agency (\$10.5 million); and funding for reimbursement to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) (\$11.0 million), which is included in the customer accounts in FY 2000. An increase in Commissary Operations is also reflected, which reflects the Department's decision to include funds within the Services' O&M accounts for reimbursement to the Defense Commissary Agency Defense Working Capital Fund.

## AIR FORCE

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
20,411.1	+208.3	-1,642.7	18,976.7	20,363.2
			<u>+163.5</u>	<u>+1,223.0</u>

Funding requested in the Air Force's Operation and Maintenance (O&M) appropriation directly supports the Air Force's capability to develop, train, sustain, and integrate the elements of air and space power to produce: core competencies of air and space superiority, global attack, rapid global mobility, precision engagement, information superiority, and responsive combat support. The synergy of these competencies provides the full range of air and space capabilities to combined forces commanders by providing the funds needed to: operate and maintain aircraft and related weapon systems; train personnel; operate communications, command and control systems; and purchase supplies, equipment and fuel. These O&M resources also support essential combat-related activities such as intelligence, logistics, weather, air traffic control, search and rescue, maintenance of runways and base facilities, and the working and living environment of Air Force personnel.

The FY 2000 O&M budget request contains an overall increase of \$1,386.5 million above the FY 1999 funding level. The increase includes \$163.5 million in price growth and \$1,223.0 million (6.4 percent) in functional transfers and program growth. The detailed explanations of transfers and program growth are discussed below.

Narrative Explanation of Major Changes by Budget Activity:

### Budget Activity 1: Operating Forces.

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
10,666.5	42.6	-769.8	9,939.3	10,550.0
			<u>+8.9</u>	<u>+601.8</u>

The Operating Forces budget activity consists of three activity groups: Air Operations, Combat Related Operations, and Space Operations. These funds provide support for fighter, bomber, and missile forces assigned to Air Force operational commands. They also provide global command, control, and communications; the capability to launch payloads into various earth orbits; and a worldwide network of sites and terminals to relay data gathered by satellites. Also included in this budget activity are unique missions such as combat test, and training fighter aircraft; electronic warfare aircraft; Tactical Air Control aircraft; command, control and communications, including the Airborne Warning and Control aircraft; Dissimilar Air Combat Training aircraft; support ranges; and command and base support personnel and activities.

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Major changes included in the FY 2000 budget request of \$10,550.1 million are:

- Price growth of \$8.9 million.
- Net functional transfers out of \$101.8 million including \$86.2 million from the Air Force's Military Personnel, Air Force Appropriation for functions deemed "not military essential" that are under study to be either contracted out or converted to in-house civilian labor according to the rules of OMB Circular A-76; \$18.6 million for host management of Johnston Atoll from the Defense Threat Reduction Agency; \$6.2 million from the Aircraft Procurement, Air Force appropriation for Advanced Medium Range Air-to-Air missiles and Electronic Warfare Integration; \$3.8 million from the Aircraft Procurement, Air Force appropriation for Electronic Warfare Integration; \$2.8 million for leased vehicles from the Other Procurement, Air Force appropriation, and \$2.9 million from the Air National Guard for ranges. These increases are offset by transfers out which include \$226.1 million to the Quality of Life Enhancements, Defense appropriation for real property maintenance.
- Increase of \$233.9 million for Base Support to fund mobility and deployment requirements, vehicle operations and maintenance; to buy-back unrealized savings; pollution prevention; improved base communications; support for new child development centers and school age centers; and to increase environmental compliance funding to meet all Level I environmental projects.
- Increase of \$214.1 million for flying hour supplies, support for 8 additional B-1 (two transferred from the Air National Guard) and 2 additional B-2 aircraft, contract engineering for F-16 squadrons, and improvement in technical orders.
- Increase of \$149.8 million for Real Property Maintenance to support demolition and disposal of excess facilities, maintenance and repair of facilities, minor construction programs, and additional support to environmental programs.
- Increase of \$53.6 million for Air Operations Training to provide additional Combat Air Forces (CAF) training, CAF readiness training, and additional range support to include training exercises.
- Increase of \$23.9 million in Primary Combat Weapons to primarily support Minuteman, Air Launch Cruise Missiles (ALCM) and Advanced Cruise Missiles, and to make advances with precision attack systems and advanced medium range air-to-air missiles.

## AIR FORCE

### Budget Activity 2: Mobilization.

(\$ in Millions)					
FY 1998	Price	Program	FY 1999	Price	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Estimate</u>
3,350.3	40.0	-599.2	2,791.1	-8.6	2,685.6

The funds requested for the Mobilization budget activity provide global mobility through strategic and tactical airlift to support contingency and wartime operations in pursuit of national objectives. The rapid movement and sustainment of U.S. combat forces anywhere in the world to deter aggression or provide humanitarian/peacekeeping assistance is a major instrument of U.S. security policy. This budget activity funds airlift operations; airlift operations command, control, communications, and intelligence (C3I); mobilization preparedness; and payments to the Transportation Business Area.

Major changes included in the FY 2000 budget request of \$2,685.6 million are:

- A price decrease of \$8.6 million.
- Transfers in of \$42.2 million from the Military Personnel, Air Force appropriation for functions deemed "not military essential" to be either contracted out or converted to in-house civilian labor, according to the rules of OMB Circular A-76 and \$3.2 million for a Core Automated Maintenance System from the Transportation Working Capital Fund.
- A transfer out of \$50.7 million from Real Property Maintenance to the Quality of Life Enhancements, Defense appropriation.
- An increase of \$48.4 million in Airlift Operations for C-130 upgrades, training, and KC-10 repairs.
- An increase of \$44.0 million in Base Support to facilitate closure of the 24<sup>th</sup> Wing and relocation of the C-130 aircraft from Howard AFB, Panama to Borinquen, Puerto Rico, to buy-back unrealized reengineering savings, to improve base communications, to address environmental issues with increased pollution prevention funding, and to increase funding for base operating support and real property services.
- Increase the Airlift Operations C3I activity by \$4.5 million for Air Mobility Command and Control systems.
- A decrease of \$181.8 million in payments to the Defense Working Capital Fund for Transportation as a result of the recovery of FY 1998 revenue and expense imbalances in FY 1999.

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- A reduction of \$17.6 million as a result of the one-time increase in FY 1999 to recover depot maintenance operating losses outside of the stabilized rate structure.

### Budget Activity 3: Training and Recruiting.

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
1,686.7	+22.1	+15.5	1,724.3	1,868.2
				+121.7

The funds requested for the Training and Recruiting budget activity support three broad mission areas--Accession Training, Basic Skills and Advance Training, and Recruiting and Other Training and Education. Accession Training operations produce the enlisted and officer personnel needed to meet total force requirements. Officer accessions receive indoctrination training through the United States Air Force Academy (USAF), Air Force Reserve Officer Training Corps (AFROTC), Officer Training Squadron (OTS), and Airmen Education and Commissioning Program (AECMP). Basic skills and advanced training operations provide Air Force personnel (and individuals of other Services) training and education essential to operate, maintain, and manage complex Air Force weapon systems and associated support structure. Flying training programs include flight screening, undergraduate pilot training, specialized undergraduate pilot training (SUPT), specialized undergraduate and advanced navigator training, pilot instructor training (PIT), and undergraduate helicopter training. Other training programs cover initial and follow-on technical skill progression training, professional military education, specialized professional development, and related training support.

Major changes included in the FY 2000 budget request of \$1,868.2 million are:

- Price growth of \$22.2 million.
- Net transfers out of \$57.7 million which include a transfer of \$9.4 million from the Military Personnel, Air Force appropriation for functions deemed "not military essential" to be either contracted out or converted to in-house civilian labor and one for \$9.1 million from various appropriations for the DoD Computer Crimes and Forensics Lab Training Program. Transfers out include \$73.7 million from Real Property Maintenance to the Quality of Life Enhancements, Defense appropriation.
- An increase of \$77.5 million in Flight Training for increased undergraduate pilot and navigator production to offset lower than expected pilot retention rates.
- An increase of \$40.2 million in Recruiting and Advertising to address the declining propensity to enlist of our nations youth and offset lower than expected retention rates.

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- An increase of \$21.6 million in Specialized Skill Training to offset declining enlisted airman reenlistment rates. Also, implements the Kassebaum-Baker Report on Gender Integrated Training recommendations to improve the training and living environments and integrate women into the training establishment.
- An increase of \$13.7 million for ROTC scholarships and operations.

### Budget Activity 4: Administration and Servicewide Activities

(\$ in Millions)					
FY 1998	Price	Program	FY 1999	Price	Program
Actual	Growth	Growth	Estimate	Growth	Growth
4,707.7	+102.5	-288.1	4,522.1	+141.0	+596.3
					<u>Estimate</u>
					5,259.4

The Administrative and Servicewide Activities budget activity funds four broad mission areas -- Logistic Operations, Servicewide Support, Security Programs, and Support to Other Nations. Logistics Operations includes Air Force Logistics Operations, Technical Support Activities, Servicewide Transportation, and Base Support. It primarily funds the operation of Air Force Materiel Command (AFMC), which provides Air Force-wide cradle-to-grave acquisition and logistics support and comprises 90 percent of the resources in this activity group. The Servicewide Activities cut across the entire Air Force to ensure combat capability and maintain readiness, effective leadership, efficient management, and adequate support to Air Force units and personnel in diverse geographic locations. Much of this is accomplished via a number of highly specialized and unique Air Force organizations. The Security Program includes the Air Force Office of Special Investigations (AFOSI) and a series of classified programs. Finally, the Support to Other Nations activity group provides support to the North Atlantic Treaty Organization (NATO), Supreme Headquarters Allied Powers Europe (SHAPE), and other international headquarters.

Major changes included in the FY 2000 budget request of \$5,259.4 million are:

- An increase of \$141.0 million for price growth.
- Major functional transfers include \$49.3 million from the Military Personnel, Air Force appropriation for functions deemed "not military essential" to be either contracted out or converted to in-house civilian and \$6.2 million for leased vehicles from the Other Procurement, Air Force appropriation. Transfers out include \$50.3 million from Real Property Maintenance to the Quality of Life Enhancements, Defense appropriation.
- An increase of \$101.2 million in Service-wide Activities to improve the Air Force Communications Center engineering and installation support and overall Service-wide support for contract environmental services, as well as Information Technology programs.



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- An increase of \$95.6 million for Base Support to improve quality of life programs, to increase funding for base operating support and real property services, and to increase environmental compliance funding to meet all Level I environmental projects
- An increase of \$71.8 in million in Service-wide Communications to support long-haul communications, the Defense Message Center, high frequency radio systems, and general Air Force communications systems.
- An increase of \$309.1 million for commissary operations which reflects the Department's decision to include these funds within the Services' O&M accounts for reimbursement to the Defense Commissary Agency's Defense Working Capital Fund.
- An increase of \$30.5 million in Real Property Maintenance to support demolition and disposal of excess facilities, maintenance and repair of facilities, and minor construction programs.

## DEFENSE - WIDE

(\$ in Millions)

FY 1998 Actual	Price Growth	Program Growth	FY 1999 Estimate	Price Growth	Program Growth	FY 2000 Estimate
10,603.3	+307.1	+516.4	11,426.8	+290.5	-298.1	11,419.2

The Operation and Maintenance, Defense-Wide (O&M, D-W) appropriation supports a wide range of programs which have been consolidated to achieve maximum efficiency by avoiding overlap and duplication among the Services. The Defense Agencies are essential to the accomplishment of the missions of the Military Departments. Functions of the various Agencies include direct readiness related programs, mobilization programs, training and education programs, and administration and servicewide activities, e.g., intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependent education, military personnel support, and management support to the Department. Additionally, this appropriation provides O&M funding for all Special Operations Forces.

At the summary level, the net change from FY 1999 to FY 2000 for O&M, D-W is \$-7.6 million and includes price growth of \$290.5 million and a net program decrease of \$298.1 million.

Highlights of the functional transfers and program changes between FY 1999 and FY 2000 are as follows:

### **Program Growth**

• Functional Transfers Out - primarily as the Defense Threat Reduction Agency (DTRA) transfers (1) host base responsibility for Johnston Atoll to the Air Force which will begin property disposal preparations and (2) its Weapons of Mass Destruction Program to the Army.	<u>-298.1</u>
• Functional Transfers In - primarily for payments for renovating the Pentagon from the Pentagon Renovation Transfer Fund and for the Joint Total Asset Visibility Program from the Army.	-46.4
• FY 1999 Emergency Supplemental for antiterrorism and classified programs funded in FY 1999 but not continued in FY 2000.	+117.9
• FY 1999 DoD Appropriations Act congressional adds and earmarks funded in FY 1999 but not continued in FY 2000. These include Impact Aid, Military Personnel Information System, Automated Document Conversion, Repairs to Federally Funded Schools, Legacy Program, Mobility Enhancements, Fitzsimmons Army Hospital, Shipyard Infrastructure, etc.	-642.9
	-208.6

## DEFENSE-WIDE

• Classified programs.	+196.5
• Business Practice and Financial Management Improvements – primarily additional investments in the Standard Procurement System, the Defense Travel System, Electronic Commerce, and the Defense Property and Accountability System.	+140.4
• Information Technology (IT) Security and Initiatives - to include IT security enhancements by the Defense Information Services Agency, planning for the Defense Integrated Military Human Resources System, and the fielding the Defense Civilian Personnel Data System.	+80.7
• Readiness to include Recruiting – Enhancements to special operations forces and joint force projection through the use of modeling and simulation as partially offset by a decrease to the Joint Chiefs of Staff Exercise Program. Additionally, to improve recruiting, the Joint Recruiting Advertising Program is increased.	+73.7
• Education – Primarily for the continued build-up of the Defense Leadership and Management Program and improvements in dependent education services. The closure of dependent schools in Panama and Fort McClellan partially offsets this increase.	+39.0
• Command and Control –Defense Information Systems Agency and Office of the Secretary of Defense initiatives to develop, field, and operate global command, control, and support systems for the warfighter. Partially offset by completion of software development for the Government Emergency Telecommunication Service (GETS) and of the integration of the Defense Message System (DMS).	+5.4
• Civilian Personnel Downsizing (Net of Transfers).	-65.2
• Net other program adjustments.	+11.4

A brief description of the major budget activities, along with a description of significant changes between FY 1999 and FY 2000 follows:

## DEFENSE-WIDE

### Budget Activity 1: Operating Forces

(\$ in Millions)

FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,598.7	+8.7	-51.3	1,556.1	+8.2	+37.7	1,602.0

Budget Activity 1 funds the following:

The operational activities of the U.S. Special Operations Command (USSOCOM) which provide vital and critical warfighting capability to the United States. The funds provide for:

- The deployment of special warfare operations worldwide. To include unique infiltration and exfiltration capabilities.
- The training and equipping of Special Operational Forces (SOF) warfighting personnel.
- The transportation of unique and special equipment and SOF personnel to any location worldwide.
- The participation of SOF units in overseas contingency operations.
- Maintenance and operation of SOF equipment.

The operational activities of The Joint Staff which support the Chairman, Joint Chiefs of Staff (CJCS). The funds provide for:

- CJCS command and control of U.S. military forces worldwide.
- Presidential and National Security Counsel support.
- Coordination of joint training exercises with the Services and the Defense Agencies and the transportation requirements of the CJCS Exercise Program.
- Development of war fighting models to improve joint training and the command and control of deployed U.S. and allied forces.

From FY 1999 to FY 2000, the Operating Forces budget activity increases by \$45.9 million. The net change includes price growth of \$8.2 million and net program growth of \$37.7 million. Highlights of the \$37.7 million program growth follow:

**Functional Transfer (\$-3.9 million):** The FY 2000 budget request for Operating Forces recognizes the transfer of Joint Vision 2010 – Joint Experimentation funds from The Joint Staff to the U.S. Atlantic Command.

## DEFENSE-WIDE

### Other Program Changes (\$+41.6 million):

- FY 1999 Discontinued Programs (\$-22.0): The FY 2000 estimate for Operating Forces reflects a decrease of \$22.0 million for programs financed in FY 1999 but not continued in FY 2000, as detailed below:

Exercise Northern Edge	-7.1
Joint Threat Warning System	-1.0
Maritime Training	-5.1
Language Training	-1.0
CP/WMD	-7.8

- CJCS Exercise Program (\$-13.6 million) - The exercise OPTEMPO decreases by 5 percent from the FY 1999 level to reduce personnel operating tempo rates.

- SOF Readiness (\$+19.8 million) - Finances upgrades to the MH-60L and MH47D helicopters; upgrades to the MC-130E/H Combat Talon aircraft avionics; increases in contractor logistics support for the Planning and Rehearsal Information and Support (PARIS) Data Base Generation System; increases in the sustainment costs for Special Boat Unit (SBU) 22 as it converts from a Reserve unit to an Active unit; and for USSOCOM to assume Riverine missions training.

- SOF Operations (\$+40.4 million) - Finances various operational requirements including support for additional flying hours of SOF aircrews, contractor engineering support to meet operations and maintenance requirements, and the redeployment of SOF units stationed in Panama to Puerto Rico with the implementation of the Panama Canal Treaty.

- SOF Force Related Training and Operational Support (\$+4.5 million) - Finances increases requirements for language training for SOF operational units and Distance Learning Program to improve the delivery course training.

- Other Net BA-1 Program Changes (\$+12.5 million).

## DEFENSE-WIDE

## DEFENSE-WIDE

### Budget Activity 2: Mobilization

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
35.2	+4	+2	35.8	38.3
			+5	+2.0

Budget Activity 2 funds the Defense Logistics Agency Warstopper Program. This program includes items that are required for mobilization but do not have a peacetime demand that is adequate to maintain an industrial base sufficient for mobilization. Also included is the Industrial Readiness Program that focuses on the surge capability for critical troop support items and commodities supporting weapon systems and on ensuring that critical industrial surge capabilities can be implemented.

After considering price growth (\$0.5 million), the Warstopper Program reflects an increase of \$2.0 million in FY 2000. The FY 2000 increase provides additional funding for nerve agent antidotes, chemical protective suits and gloves, and more rigorous surge assessments and testing of prime vendors and other suppliers under long-term contracts.

### Budget Activity 3: Training and Recruiting

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
188.1	+2.8	+28.2	219.1	238.5
			+3.1	+16.3

Budget Activity 3 funds the following:

- Defense Information School – American Forces Information Service (AFIS)
- Defense Acquisition University (DAU)
- Defense Leadership and Management Program (DLAMP) – Defense Human Resources Activity (DHRA)
- Joint Recruiting Advertising Program (JRAP) - DHRA
- DoD Polygraph Institute – Defense Security Service (DSS)
- Defense Nuclear Weapons School (DNWS) – Defense Threat Reduction Agency (DTRA)

## DEFENSE-WIDE

## DEFENSE-WIDE

- Financial Management and Executive Training Program (FMET) - Defense Finance and Accounting Service (DFAS)
- Special Operations Related Education and Training - U.S. Special Operations Command (USSOCOM)

From FY 1999 to FY 2000, the Training and Education budget activity increases by \$19.4 million. The net change includes price growth of \$3.1 million and a net program increase of \$16.3 million.

**Functional Transfers (-\$5.5 million):** The FY 2000 budget request for Training and Education recognizes the following functional transfers:

- Transfer of \$3.0 million of Financial Management and Executive Training (FMET) funds from the Defense Finance and Accounting Service to the Defense Working Capital Fund.
- Transfer of \$2.5 million and the Security Research Center from the Defense Security Service (DSS) O&M, Defense-Wide appropriation to the DSS Defense Working Capital Fund.

### **Other Program Changes (\$+21.8 million):**

- Education (\$+11.9 million):

Financial Management and Executive Training (DFAS) (\$5.5 million) - The funding for executive, management, and technical training is increased to upgrade the skill levels of the DoD financial community and to gain an understanding of the DFAS financial and accounting operating systems.

Defense Leadership and Management Program (DHRA) (\$6.4 million) - Finances Component participation, instructor course development, establishment of permanent facility support, and student travel.

- Recruiting (\$+10.0 million):

Joint Recruiting and Advertising Program (DHRA) (\$10.0 million) - Funding is increased to field a corporate television advertising campaign, targeting both prospects and their influencers, to raise awareness and propensity to serve in the military.

- Other Net BA-3 Program Changes (\$-0.1 million).

## DEFENSE-WIDE

### Budget Activity 4: Administration and Servicewide Activities

(\$ in Millions)					
FY 1998	Price	Program	FY 1999	Price	FY 2000
Actual	Growth	Growth	Estimate	Growth	Estimate
8,781.3	+295.2	+539.3	9,615.8	+278.7	9,540.4
				-354.1	

Budget Activity 4 funds the following:

- Overall management of the Department of Defense including the Office of the Secretary of Defense (OSD), The Joint Staff (TJS), Washington Headquarters Services (WHS), and Defense Legal Services Agency (DLSA)
- Contract audit and administration - Defense Contract Audit Agency (DCAA), and the Defense Contract Management Command (DCMC) of the Defense Logistics Agency
- National Industrial Security Program - Defense Security Service (DSS)
- Nuclear and advanced weapons effects expertise - Defense Threat Reduction Agency (Formerly Defense Special Weapons Agency)
- Treaty verification responsibilities - Defense Threat Reduction Agency (Formerly On Site Inspection Agency)
- Technology Security Program - Defense Threat Reduction Agency (Formerly Defense Technology Security Administration)
- Education of Military Dependents - Department of Defense Dependents Education Activity (DoDDE)
- Communications activities for the control of worldwide strategic communications services - Defense Information Systems Agency (DISA)
- Central management of Prisoner of War/Missing Personnel affairs within the DoD - DoD Prisoner of War/Missing Personnel Office (DPMO)
- Civilian Personnel Management - DoD Human Resources Activity (DHRA)
- Executive, management, and technical training for the DoD financial community - Defense Finance and Accounting Service (DFAS)
- Information, audiovisual, and visual information activities - American Forces Information Service (AFIS)
- Technical and financial assistance to communities affected by base closures - Office of Economic Adjustment (OEA)
- Defense-Wide Logistics Services - Defense Logistics Agency (DLA)
- Provides program management and implementation support to Humanitarian Assistance and Demining Programs - Defense Security Cooperation Agency (DSCA)



## **DEFENSE-WIDE**

- Intelligence functions and other classified activities (Defense Intelligence Agency, National Security Agency, and National Imagery and Mapping Agency).

The net change from FY 1999 to FY 2000 for Budget Activity 4 is \$-75.4 million and includes price growth of \$278.7 million and a net program decrease of \$354.1 million.

### **Functional Transfers (\$+80.9 million):**

#### **Transfers Out (\$-37.0 million)**

- Transfers \$2.5 million from various Defense Agencies to the Air Force to support the DoD Computer Forensics Laboratory and Training (DCFLT) Program.
- Transfers personnel and associated resources for Johnston Atoll host-management responsibility (\$18.9 million) from the Defense Threat Reduction Agency to the Air Force.
- Transfers resources for the Homeland Defense Against Weapons of Mass Destruction (\$14.1 million) from the Defense Threat Reduction Agency to the Army, consistent with the Army's Executive Agent responsibility for the Domestic Preparedness Program.
- Transfers personnel and associated resources for the Chemical Weapons Demilitarization function (\$0.1 million) from the Defense Threat Reduction Agency to the Army.
- Transfers personnel and associated resources for USEUCOM treaty support (\$0.1 million) from the Defense Threat Reduction Agency to the Army.
- Transfers \$1.0 million from the Defense Finance and Accounting Service to the Army for the International Merchant Purchase Authorization Card Program.
- Transfers \$0.2 million from the Office of the Secretary of Defense to the Army for NATO support.
- Transfers \$0.1 million from the Washington Headquarters Services to the Army for Single Agency Manager (SAM) to partially offset costs for Pentagon information technology services.

## **DEFENSE-WIDE**

### **Transfers In (\$+117.9 million):**

- Transfer of \$2.4 million from the Military Departments (\$0.8 million each) to the Defense Information Systems Agency for the Joint Task Force-Computer Network Defense.
- Transfer of \$0.4 million and 12 full-time equivalents from the Defense Working Capital Fund (DWCF) to the Defense Security Service for polygraphers assigned to the DoD Polygraph Institute.
- Transfers \$21.4 million and the Joint Total Asset Visibility Program from the Army to the Defense Logistics Agency.
- Transfers \$89.3 million from the Pentagon Renovation Transfer Fund to the Defense Agencies.
- Transfers \$0.6 million from the Navy's Space and Warfare Systems Command (SPAWARS) to the Defense Logistics Agency for contract administration services.
- Transfers \$3.8 million, 44 full-time equivalents, and the acquisition and assignment of GSA controlled space from the Pentagon Reservation Maintenance Revolving Fund to the Washington Headquarters Services O&M, Defense-Wide appropriation.

### **Other Program Changes (\$-431.3 million):**

- **FY 1999 Emergency Supplemental (\$-642.9 million):** The FY 2000 estimate for Administration and Servicewide Activities reflects a decrease of \$642.9 million for antiterrorism and classified programs funded in FY 1999 by the Omnibus Consolidated and Emergency Supplemental Act, 1999 (P.L. 105-277) but not continued in FY 2000.
- **FY 1999 Discontinued Programs (\$-186.6 million):** The FY 2000 estimate for Administration and Servicewide Activities reflects a decrease of \$186.6 million for programs financed in FY 1999 but not continued in FY 2000, as detailed below:

Joint Multi-Dimensional Education & Analysis System	-3.1
Improved Cargo Methods and Technologies	-2.0
Automated Document Conversion	-25.4
Math Leadership Program	-0.4
New Parent Support Program	-8.1
Family Counseling and Crisis Services	-2.0

## **DEFENSE-WIDE**

## DEFENSE-WIDE

Desiccant Demo	-1.3
Repairs to Federally Funded Schools	-10.2
Impact Aid	-35.5
Agile Port Capability Study	-0.5
Fitzsimmons Army Hospital	-10.2
Shipyard Infrastructure Repair	-10.2
Pico Rivera	-4.1
Planning	-1.0
Legacy	-10.2
NIPC Technical Support	-5.1
Indian Lands Mitigation	-8.1
Mobility Enhancements	-10.2
Military Personnel Information System	-38.6
Youth Development and Leadership Program	-0.4

### - Classified Programs (\$+196.5 million).

### - Business Practice and Financial Management Improvements (\$+140.4 million)

Defense Information Systems Agency (DISA) (\$4.6 million) - Increased funding to accelerate identification of appropriate technology for enhancing DoD's electronic commerce infrastructure, central contractor registration operations, electronic buying and selling capabilities, and electronic document access for paperless contracting.

Defense Logistics Agency (DLA) (\$40.5 million). - Finances programs aimed at implementing the Standard Procurement System (SPS), Electronic Commerce initiatives, and improved property accountability procedures.

Office of the Secretary of Defense (OSD) (\$31.2 million) - Finances programs for (1) improving commercial practices to resolve overpricing problems, (2) assessing emerging best business practices, and (3) institutionalizing electronic commerce (EC).

Defense Travel System (DTS) (\$53.3 million) - Finances deployment of the DTS in FY 2000 - the year in which two-thirds of the total system is scheduled to be deployed.

## DEFENSE-WIDE

National Industrial Security Program (NISIP) (\$14.4 million) – Finances incremental workload for personnel security investigations (PSI) begun in prior year and not now funded through the Defense Security Service Defense Working Capital Fund PSI rates. Also finances increased security investigation workload created by a change to the telephone interview policy.

Other Business Practices and Financial Improvement program adjustments (\$-3.6 million).

### **- Information Technology (IT) Security and Initiatives (\$+80.7 million):**

Defense Civilian Personnel Data System (DCPDS) (\$8.7 million) – Increases funding to complete fielding of the DCPDS in FY 2000 and to sustain, operate, and maintain the modern DCPDS for the Department.

Defense Integrated Military Human Resources System (DIMHRS) (\$20.3 million). – Finances the continued development of a new, single, all-component, fully integrated military personnel and pay management system, including congressional direction to establish a Defense Reform Initiative enterprise pilot program for military manpower and personnel information.

Information Security (\$40.4 million) – Finances the purchase of DoD-wide Enterprise Licenses for Defense Information Operation (DIO) Tools which provides licensing of commercial intrusion, detection, and warning software for all components of the Defense Information Infrastructure. Also finances enhancement application of DoD Public Key Infrastructure (PKI) certificates and incorporates security requirements into the Defense Message System in anticipation of the AUTODIN phase-out.

Other IT program adjustments (\$11.3 million).

**- Focused Logistics (\$+4.7 million):** Finances a new initiative that provides the coordinating authority for Joint vision 2010 logistics with day-to-day program management support and oversight.

**- Joint Doctrine/Joint Training System (JTS) (\$+3.3 million):** Finances the expanded development of joint Services doctrine and training aptitude. The JTS, which builds upon joint doctrine, is a four-phased systemic process designed to implement joint training programs.

**- Modeling and Simulation (\$+3.6 million):** Finances improvement in the analytical capability of software tools and simulations supporting the assessment requirement of the Chairman, the Joint Chiefs of Staff. These tools assist in conducting studies and evaluations of military forces' programs and strategies.

## DEFENSE-WIDE

## DEFENSE-WIDE

- SATCOM Operations (\$+1.0 million): Finances near-term improvements in the communications connectivity supporting the Chairman, Joint Chiefs of Staff.

### - Education (\$+27.1 million):

Educational Program Enhancements (DoDDE) (\$6.5 million) – Finances enhancements in the following areas: Educational Reading Initiative, Small School Supplement, Unit School Assistant Principal, Service Learning, Reading Recovery in Framework Schools, Framework School Initiative, Area Middle Grades Initiative, and School Nurses.

President's Educational Initiatives (DoDDE) (\$21.0 million) – Finances enhanced learning opportunities in the early years and supports the President's initiative to improve the learning environment by building and modernizing schools. Program increases are associated with the implementation of a full day Kindergarten program, reduced pupil teacher ratios, and a summer school pilot program.

Textbook Implementation Buys (DoDDE) (\$8.4 million) – Finances the cyclical purchase of new textbooks for Health, Physical Education, and Math curriculums and additional books to support the reduced pupil teacher ratios and Full Day Kindergarten programs.

President's Technology Initiative (DoDDE) (\$-5.1 million) – Funding decreases with the completion of the President's Technology Initiative.

Panama and Fort McClellan Closures (\$-3.7 million) – Funding decreases with the closure of DoD Dependent Schools in Panama in accordance with the Panama Canal Treaty and the closure of Fort McClellan. Includes an offsetting increase of \$5.8 million to fund additional enrollment as military forces are relocated from Panama to Puerto Rico.

### - Command and Control (\$+5.4 million):

Command Information Superiority Architecture (CISA) (\$5.8 million) – Finances a direct means for the ASD(C3I) to achieve information superiority through interoperable, integrated, and cost effective capabilities.

Spectrum Analysis and Management (\$7.3 million) – Finances the establishment of the Office of Spectrum Analysis and Management resulting from a Joint Staff study.

## DEFENSE-WIDE

Defense Information Systems Network (DISN) and Other C2 Systems (\$40.9 million) – Finances the development and deployment of MILSTAR Voice Conferencing, Standardized Tactical Entry Point (STEP), Information Dissemination Management (IDM), and Global Broadcast Services (GBS) connectivity.

Government Emergency Telecommunications Service (GETS) (\$-21.0 million) – Program decreases as a result of the completion of vendor software developments.

Defense Message System (DMS) (\$-14.0 million) – Funding decreases with the completion of engineering, integration, and deployment support of the DMS.

Other Command and Control program adjustments (\$-13.6 million).

- Civilian Personnel Downsizing (\$-65.2 million) – This reduction results from the downsizing of Defense Agencies and Activities.

- Other BA-4 Net Program Changes (\$-3.0 million).

# DEFENSE - WIDE

## Summary by Budget Activity

(\$ in Millions)

### Operation and Maintenance, Defense-Wide

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Total	10,603.3	307.1	516.4	11,426.8	290.5	-298.1	11,419.2

### Budget Activity 1 - Operating Forces

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Subtotal	1,598.7	8.7	-51.3	1,556.1	8.2	37.7	1,602.0
TJS	430.0	.1	-28.2	401.9	-2.2	-17.4	382.3
USSOCOM	1,168.7	8.6	-23.1	1,154.2	10.4	55.1	1,219.7

### Budget Activity 2 - Mobilization

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Subtotal	35.2	.4	.2	35.8	.5	2.0	38.3
DLA	35.2	.4	.2	35.8	.5	2.0	38.3

### Budget Activity 3 - Training and Recruiting

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Subtotal	188.1	2.8	28.2	219.1	3.1	16.3	238.5
AFIS	10.2	.1	-2.5	7.8	.1	1.6	9.5
DAU	93.0	1.5	.7	95.2	1.9	3.3	100.4
DFAS	24.4	.3	4.0	28.7	-.7	-10.0	18.0
DHRA	20.1	.3	13.7	34.1	.5	23.5	58.1

DEFENSE-WIDE

DEFENSE-WIDE

(\$ in Millions)

Budget Activity 3 - Training and Recruiting (Continued)

	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
DSS	7.2	.1	1.9	9.2	.2	-2.1	7.3
DTRA	.8	0	.1	.9	.1	-.1	.9
USSOCOM	32.4	.5	10.3	43.2	1.0	.1	44.3

Budget Activity 4 - Administration and Servicewide Activities

	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Subtotal</u>	<u>8,781.3</u>	<u>295.2</u>	<u>539.3</u>	<u>9,615.8</u>	<u>278.7</u>	<u>-354.1</u>	<u>9,540.4</u>
AFIS	94.2	1.3	.3	95.8	1.9	-1.8	95.9
AT/DSP (No Year)	0	0	633.4	633.4	9.5	-642.9	0
CMP	61.9	.7	24.9	87.5	1.1	-1.1	87.5
INTELL	3,440.7	75.0	257.6	3,773.3	114.3	180.1	4,067.7
DCAA	315.1	9.4	-.6	323.9	12.0	4.7	340.6
DFAS	56.4	.7	-29.8	27.3	.3	-.5	27.1
DSS	178.3	.4	-104.6	74.1	1.2	9.1	84.4
DISA	739.3	15.8	-17.4	737.7	16.9	68.4	823.0
DLA	1,089.8	28.8	21.0	1,139.6	36.3	10.3	1,186.2
DLSA	8.7	.4	-.4	8.7	.4	.4	9.5
DoDDE	1,312.2	27.0	48.8	1,388.0	56.5	-67.6	1,376.9
DHRA	158.7	2.9	34.1	195.7	4.3	-9.8	190.2
DSCA	0	0	45.1	45.1	.7	19.8	65.6
DPMO	13.7	.3	.1	14.1	.4	0	14.5
DSWA	90.0	1.5	-91.5	0	0	0	0
DSA	95.7	1.1	-96.8	0	0	0	0
DTRA	0	0	233.8	233.8	4.2	-42.5	195.5

DEFENSE-WIDE



# DEFENSE-WIDE

Budget Activity 4 - Administration and Servicewide Activities (Continued)						
(\$ in Millions)						
FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
DTSA	10.4	-10.6	0	0	0	0
FEMP	15.0	-15.2	0	0	0	0
OE A	112.8	-58.9	55.2	.9	-25.2	30.9
OSD	398.4	-5.8	400.4	12.6	10.6	423.6
OSD (No Year)	0	.2	.2	0	-.2	0
OSIA	78.1	-79.1	0	0	0	0
TJS	123.4	-23.2	113.8	-.4	45.2	158.6
USSOCOM	38.7	7.6	46.6	.8	-7.1	40.3
WHS	349.8	-233.6	221.7	4.8	96.0	322.5

## RESERVE COMPONENTS

(\$ in Millions)					
	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
Army Reserve	1,210.9	+25.9	-33.4	1,203.4	1,369.2
Navy Reserve	918.6	-9.5	+50.4	959.5	917.6
MC Reserve	116.4	+1.6	+9	119.0	123.3
AF Reserve	1,640.5	+12.5	+100.2	1,753.2	1,728.4
Army Nat Guard	2,436.9	+70.9	+239.4	2,747.2	2,903.5
Air Nat Guard	<u>3,079.5</u>	<u>+31.7</u>	<u>+14.4</u>	<u>3,125.6</u>	<u>3,099.6</u>
Total	9,402.8	+89.1	+415.9	9,907.9	10,141.6

The Operation and Maintenance appropriation provides funding for operating Reserve Components' forces and maintaining their assigned equipment in a state of readiness which will permit rapid deployment in the event of full or partial mobilization. Reserve Component personnel maintain adequate skill levels in highly technical specialties through training during weekend drills and active duty training. Concurrently, the Reserve Components contribute significant support to a variety of Active mission areas. The FY 2000 budget request of \$10,141.6 million for the Reserve Forces includes price growth of \$20.7 million and net program growth of \$212.9 million (2.1 percent) above the FY 1999 funding level. Summary program data for the Reserve Components is displayed below.

	<u>Program Data</u>				
	<u>FY 1998</u>	<u>Actual</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
				<u>Estimate</u>	<u>Estimate</u>
Selected Reserve End Strength	881,491		-4,449	877,042	865,298
Civilian Personnel Full Time Equivalents	76,933		+499	77,432*	75,193
Military Technicians Included Above	(62,600)		(-437)	(62,163)	(60,673)
Ship Inventory (End FY)	26		+2	28	27
Steaming Hours (000)	35		+14	49	41
Total Aircraft Inventory (TAI)	4,336		-12	4,324	4,262
Primary Authorized Aircraft (PAA)	4,230		-38	4,192	4,174
Flying Hours (000)	988		+89	1,077	1,139

\*As reflected in the Appendix to the Budget of the United States Government. Consistent with the detailed justification material submitted, the Army Guard plans to execute 1,257 fewer FTEs in FY 1999 and 1,194 fewer FTEs in FY 2000.

## RESERVE COMPONENTS

### ARMY RESERVE

**Program/Price Growth.** The FY 2000 budget request for the Army Reserve increases by \$165.8 million from the FY 1999 level. This increase is the result of an increase of \$28.9 million for price growth, an increase of \$1 million for functional transfers, and net program increases of \$135.9 million (11.0 percent).

**Program Discussion.** The Army Selected Reserve end strength is projected to decline between FY 1999 and FY 2000 from 208,000 to 205,000, following the guidelines of the Quadrennial Defense Review. Program increases include \$101 million for increased OPTEMPO, which enables the Army Reserves to attain 100 percent of their Air OPTEMPO requirement of 9 hours per crew per month. Additionally, ground OPTEMPO has been significantly improved in the FY 2000 budget compared to FY 1999. The FY 2000 budget funds 164 miles of the training strategy compared to 104 miles funded in the FY 1999 program. Funding for maintenance of real property also increases by \$15 million over the FY 1999 level to slow the backlog of maintenance and repair and facility deterioration. Other net increases total \$20 million which include increases for management information systems, communications and audiovisual (\$15 million) and for depot maintenance (\$7 million) and decreases for personnel administration (\$3 million).

### Army Reserve Program Data

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Total Selected Reserve End Strength	204,968	+3,032	208,000	-3,000	205,000
Civilian Personnel (O&M FTEs)	10,727	+37	10,764	-335	10,429
(Technicians Included Above)	(6,115)	(+356)	(6,471)	(-25)	(6,446)
Total Aircraft Inventory (TAI)	132	-	132	+24	156
Primary Authorized Aircraft (PAA)	132	-	132	+24	156
Flying Hours (000's)	34	+3	37	+11	48
Major Installations	6	-	6	-	6
Reserve Centers	809	-	809	-	809

## RESERVE COMPONENTS

### NAVY RESERVE

**Program/Price Growth.** The FY 2000 budget request for the Navy Reserve decreases by \$41.9 million from the FY 1999 level. This decrease is the net of a decrease of \$23.8 million for price growth (attributable to lower fuel rates), a decrease of \$1.1 million for functional transfers, and a program decrease of \$17.0 million (1.8 percent).

**Program Discussion.** The Navy Selected Reserve end strength decreases from 90,843 in FY 1999 to 90,288 by the end of FY 2000. This reduction of 555 end strength will bring the Navy Reserve strength levels to within 900 of their QDR goal of 89,400. The FY 2000 request includes an increase of \$24.3 million due to functional transfers associated with the consolidation of Central Design Activities to support the Navy Standard Integrated Personnel System (NSIPS) program; a \$12 million transfer of quality of life-related Real Property Maintenance funding into the Quality of Life Enhancements, Defense account; and a realignment of \$13.4 million out of Real Property Maintenance and Base Support as part of the Navy-wide Installation Claimant Consolidation initiative. The FY 2000 request also includes reductions of \$15.4 million for required aviation depot efforts, \$7.0 million in the ship operations requirements, and \$3.6 million for other miscellaneous programmatic adjustments to include downsizing savings in Real Property Maintenance activities. These decreases are offset by an increase of \$12.0 million to ship depot maintenance to cover the cost of two additional Selected Restricted Availabilities including one for the USS Kennedy, and a \$7.0 million increase for Marine Corps Reserve flight hours and other miscellaneous program adjustments. Force structure adjustments include the decommissioning of one P-3 (VP) squadron and one Naval Reserve Force ship. Total Reserve facilities decrease by one as a result of the closure of Naval Air Reserve Activity, Santa Clara.

### Navy Reserve Program Data

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Total Selected Reserve End Strength	93,171	90,843	90,288
Civilian Personnel (O&M FTEs)	2,257	2,049	1,925
Primary Authorized Aircraft (PAA)*	444	435	417
Flying Hours (000's)	161	172	174
Ship Inventory	26	28	27
Steaming Hours (000's)	35	49	41
Reserve Centers	159	159	159
Major Installations	7	6	6
		<u>Change</u>	<u>Change</u>
		-2,328	-555
		-208	-124
		-9	-18
		+11	+2
		+2	-1
		+14	-8
		-	-
		-1	-

\* Total Aircraft Inventory is included under active Navy.

## RESERVE COMPONENTS

## RESERVE COMPONENTS

### MARINE CORPS RESERVE

**Program/Price Growth.** The FY 2000 budget request for the Marine Corps Reserve (MCR) increases by \$4.2 million from the FY 1998 level. This increase is the net of an increase of \$1.7 million for price growth and a program increase of \$2.5 million (2.2 percent).

**Program Discussion.** The FY 2000 request supports manpower levels of 39,624 military end strength and 160 civilian full-time equivalents. The net increase in programmatic funding is mainly attributable to a functional transfer of depot maintenance funding (\$8.4 million) from the O&M,MC appropriation to the O&M,MCR appropriation as a result of implementation of a new stratification system. This increase is partially offset by the functional realignment for centralizing the procurement of Automated Data Processing (ADP) equipment (\$.6 million) to the Procurement, Marine Corps appropriation and for the maintenance of real property (\$.9 million) to the Quality of Life Enhancements, Defense appropriation. Also included are increases for Critical Low Density (CLR) Depot Level Repairables (DLR) (\$2.3 million), the Asset Tracking Logistics and Supply System (ATLASS) (\$1.5 million) implementation, and Light Armored Vehicle-Air Defense (LAV-AD) (\$1.8 million) support. Major program decreases include an FY 1999 congressional increase for the initial issue of clothing and equipment (\$3.3 million) that is not continued into FY 2000, an additional reduction in initial issue of clothing and equipment (\$1.5 million) based on Service priorities, reduction in CINC matching funds (\$1.2 million), and completion of the consolidation of four commands at Richards-Gebaur Memorial Airport (\$1.6 million). Other decreases totaling \$2.4 million include mandated QDR support cost, supplies and material, contracted equipment, recruitment operations, environmental compliance, and Reserve Transportation of Things (TOT) requirements.

### Marine Corps Reserve Program Data

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Total Selected Reserve End Strength	40,842	39,966	39,624
Civilian Personnel (O&M FTEs)	155	162	160
Flying Hours	43	44	48
Division/Wing Team	1/1	1/1	1/1
Training Centers	192	192	192
		<u>Change</u>	<u>Change</u>
		-876	-342
		7	-2
		+1	+4
		-	-
		-	-

## RESERVE COMPONENTS

## RESERVE COMPONENTS

### AIR FORCE RESERVE

**Program/Price Growth.** The FY 2000 budget request for the Air Force Reserve decreases by \$24.8 million from the FY 1999 level. This decrease is the result of a decrease of \$7.7 million for price growth (attributable to lower fuel rates) and a net program decrease of \$17.1 million (1 percent).

**Program Discussion.** The FY 2000 budget request supports a manpower level of 73,708 military end strength and 15,008 civilian full-time equivalents, which are below the FY 1999 manpower levels. Major FY 2000 program changes include the functional realignment of \$12.2 million which was transferred to the Quality of Life Enhancements, Defense appropriation to give special emphasis to QOL projects and to encourage better management of the funds by giving them a 2-year life. Also, included are decreases related to the continuing conversion of C-141's to C-17's, increases to fully fund flying and nonflying depot level repairables, and reductions to other flying hour programs including the B-52, WC-130, and C-130 flying hours.

#### Air Force Reserve Program Data

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Total Selected Reserve End Strength	71,970	74,242	73,708
Civilian Personnel (O&M FTEs)	14,789	15,124	15,008
(Technicians Included Above)	(9,354)	(9,761)	(9,785)
Total Aircraft Inventory (TAI)	445	450	458
Primary Authorized Aircraft (PAA)	400	393	389
Flying Hours (000's)	137	141	141
Major Installations	12	12	12
		-	-
		-	-
		-	-







## DEFENSE HEALTH PROGRAM

	(\$ in Millions)					
	FY 1998	Price		FY 1999		FY 2000
	Actual	Growth	Program	Estimate	Growth	Estimate
Operation and Maintenance	9,930.8	+316.3	-353.6	9,893.5	+349.8	10,477.7
Procurement	392.4	+5.1	+3.5	401.0	+6.4	357.0
RDT&E	-	-	+19.4	19.4	+0.2	-
Total DHP	10,323.2	+321.4	-330.7	10,313.9	+356.4	10,834.7

The medical mission of the Department of Defense (DoD) is to maintain readiness by providing medical services and support to the armed forces during military operations and to provide medical services and support to members of the armed forces, their dependents, and other beneficiaries entitled to DoD health care. The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and industrial health care.

The Department's managed care program, TRICARE, is designed to provide access to quality care that is cost-effective. The TRICARE program provides medical care to about 8 million beneficiaries through a network of 98 military hospitals and medical centers, 489 military clinics, and 7 regional Managed Care Support (MCS) contracts valued at about \$3 billion. The FY 2000 budget request for DHP includes \$356.4 million for price growth and program growth of \$164.4 million, or 1.5 percent, above the FY 1999 funded level. All 7 of the Purchased Care/Managed Care Support (MCS) contracts are funded in this budget and include anticipated management efficiencies and inflation price reductions of \$109 million.

In addition, the Department will be participating in a Medicare Subvention demonstration undertaken jointly with the Department of Health and Human Services. Under the Medicare Subvention demonstration, for the first time DoD will be able to enroll some of its dual eligible Medicare eligible retirees into the Department's managed care plan and receive Medicare reimbursement. The Medicare Subvention demonstration is intended to be cost neutral to the Department. Also, the FY 1999 National Defense Authorization Act requires the Department to conduct two demonstration programs to test new health care options for over-65 military beneficiaries: (1) a Federal Employees Health Benefits Program (FEHBP) demonstration to be conducted at eight sites; and (2) a TRICARE Senior Supplement demonstration to be conducted at two sites. Additionally, the Department is required to implement a redesigned pharmacy benefit to include early implementation for over-65 beneficiaries in two locations. The FY 2000 budget includes \$79.3 million to conduct these three initiatives.

## DEFENSE HEALTH PROGRAM

### Operation & Maintenance Program (\$ in Millions)

<u>Funding Summary</u>	FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
In-House Care	3,351.1	+114.0	+146.9	3,612.0	+139.1	-113.4	3,637.7
Private Sector Care	3,970.6	+146.8	-203.3	3,914.1	+152.6	+124.4	4,191.1
Information Management	225.1	+2.5	+29.0	256.6	+3.8	+38.7	299.1
Education & Training	332.9	+15.5	-41.7	306.7	+11.3	-5.2	312.8
Management Activities	179.5	+2.7	-4.1	178.1	+3.6	+13.1	194.8
Consolidated Health Support	904.6	+24.0	-70.3	858.3	+25.0	-5.8	877.5
Base Operations	967.0	+10.7	-105.4	872.3	+18.5	+73.9	964.7
Offset	-	-	-104.6	-104.6	-4.1	+108.6	-
Total	9,930.8	+316.3	-353.6	9,893.5	+349.8	+234.4	10,477.7

### Program/Price Growth

The FY 2000 budget request funds the approved DHP O&M program as agreed upon by the Under Secretary of Defense (Personnel and Readiness), the Under Secretary of Defense (Comptroller), the three Military Departments, the three Surgeons General, the Assistant Secretary of Defense (Health Affairs), and the Executive Director for the TRICARE Management Activity. The total DHP O&M funded program increases from FY 1999 to FY 2000 by \$584.2 million, reflecting price growth of \$349.8 million and a net program increase of \$234.4 million, or 2.3 percent.

### In-House Care

This program, totaling \$3,637.7 million in FY 2000, provides for the delivery of in-house patient care worldwide. The program includes care in medical centers, station hospitals, clinics, and dental care activities. Between FY 1999 and FY 2000, funding increases by \$25.7 million, reflecting price growth of \$139.1 million and net program decrease of \$113.4 million, or 3 percent. In-House Care funding in FY 2000 reflects an increase of \$61.8 million for advances in medical science and \$12.8 million for initial outfitting of medical treatment facilities. The In-House care program decreases include \$162.1 million for planned efficiencies and \$25.9 million for FY 1999 congressional adds that are not continued into FY 2000.

## DEFENSE HEALTH PROGRAM

### Private Sector Care

Private Sector Care includes Managed Care Support (MCS) contracts, the CHAMPUS program, designated providers (formerly known as Uniformed Service Treatment Facilities (USTFs)), and supplemental/emergency care. Under the MCS contracts and CHAMPUS, active duty families and retirees under the age of 65 and their families can individually obtain medical and dental care from civilian sources at the government's expense, after satisfying applicable enrollment fees, deductibles, and copayments. In FY 1998, the last two MCS contracts were implemented nationwide, bringing the total number of contracts to 7. The MCS contractors are responsible for the purchase of standard CHAMPUS fee-for-service benefits and coordinating the care obtained from MTFs and civilian providers. Between FY 1999 and FY 2000, funding increases \$277.0 million from \$3,914.1 million to \$4,191.1 million. The overall change includes a price increase of \$152.6 million and a net program increase of \$124.4 million or 3.1 percent. The net program increase is driven by the following:

- The MCS contracts increase by \$33.0 million. This overall increase results from: (1) applying the most current assumptions and projections associated with the MCS contracts (including health care costs, bid price adjustments, request for equitable adjustments, and next generation MCS contracts); (2) decreases associated with efficiencies and management actions in the contract; and (3) a decline in population.
- Care in nondefense facilities increases by \$179.4 million. This increase is the result of the addition of congressionally mandated programs -- the FEHBP demonstration for the over 65 (conducted at Dover Air Force Base, DE; Commonwealth of Puerto Rico; Fort Knox, KY; Greensboro/Winston-Salem/High Point, NC; Dallas, TX; Humboldt County, CA; Naval Hospital, Camp Pendleton, CA; and New Orleans, LA), the TRICARE Senior Supplemental Program, the Over-65 Pharmacy program, and additional care provided in USTFs.
- The Standard CHAMPUS program decreases by \$88.0 million, which results from fewer standard CHAMPUS claims to be processed in FY 2000 than in FY 1999.

### Information Management

This program, totaling \$299.1 million in FY 2000, focuses on the development and deployment of standardized systems to ensure close integration, interoperability, and commonality of information management throughout TRICARE. Between FY 1999 and FY 2000, funding increases by \$42.5 million, reflecting price growth of \$3.8 million and a net program increase of \$38.7 million, or 14.9 percent. The program changes include a \$31.2 million increase for development and implementation of a system to collect and maintain the required information to support the "Put Prevention into Practice" and "Force Health Protection" initiatives. Medical personnel will use this system to document and track immunization status, assess beneficiary health and deployability status, and track patient care

## **DEFENSE HEALTH PROGRAM**

outcomes. Program increases also include \$13.0 million to purchase a commercial off-the-shelf (COTS) pharmacy system and \$21.0 million to fund a portion of central information management/information technology deferred in FY 1999. The net program increase also includes a \$23.9 million decrease for FY 1999 congressional adds that are not continued into FY 2000 and other program decreases of \$2.6 million.

### **Education & Training**

This program, totaling \$312.8 million in FY 2000, provides support for worldwide medical education and training for active duty personnel, civilian medical personnel, and students. Between FY 1999 and FY 2000, funding increases by \$6.1 million, reflecting a net program decrease of \$5.2 million (1.6 percent) and price growth of \$11.3 million. Program changes include an increase of \$3.9 million for medical readiness training exercises and other programs. The program decreases by \$9.1 million for FY 1999 congressional adds that are not continued into FY 2000. The budget reflects keeping the Uniformed Services University of the Health Sciences (USUHS) open and funded at historical levels. As a result of the Defense Reform Initiative, USUHS was transferred to the Services' Surgeons General with the Navy Surgeon General designated as the executive agent for program, budget, and execution responsibilities.

### **Management Activities**

This program, totaling \$194.8 million in FY 2000, includes the TRICARE Management Activity (TMA) and the medical commands. These headquarters activities oversee the delivery of DoD healthcare worldwide. Between FY 1999 and FY 2000, funding increases by \$16.7 million, of which \$3.6 million is price growth and \$13.1 million (7.2 percent) is program growth. The program growth of \$13.1 million funds a portion of the TMA program deferred from FY 1999.

### **Consolidated Health Support**

This program, totaling \$877.5 million in FY 2000, includes support functions such as occupational health, aeromedical evacuation, pathology, examining activities, regional health care management functions, and veterinary services. Between FY 1999 and FY 2000, funding increases by \$19.2 million, with \$25.0 million in price growth and a net program decrease of \$5.8 million (0.7 percent). This net program decrease includes program increases of \$5.0 million for force health surveillance, \$7.0 million for global emerging infectious surveillance systems, and \$2.0 million to obtain Food and Drug Administration approval and purchase license for Adenovirus 4 and 7 vaccine. Also included are program decreases of \$17.8 million for FY 1999 congressional adds that are not continued into FY 2000, \$1.0 million for the support of TRICARE Regional Lead Agent Offices, and \$1.0 million in other miscellaneous programs.

## **DEFENSE HEALTH PROGRAM**

## DEFENSE HEALTH PROGRAM

### Base Operations

This program, totaling \$964.7 million in FY 2000, includes funding for the operations and maintenance of 98 hospitals and 489 clinics. Funding increases between FY 1999 and FY 2000 by \$92.4 million. This reflects a price growth of \$18.5 million and a net program growth of \$73.9 million (8.3 percent). This net program growth includes an increase of \$78.1 million for restoral of Real Property Maintenance (RPM) and changes in other Base Operations Support programs. The increase in RPM funding achieves a 2.4 percent overall plant replacement value of Defense Health Program facilities. This net program growth includes a program decrease of \$4.2 million for FY 1999 congressional adds that are not continued into FY 2000.

### Offset

The Department intends to submit a prior approval reprogramming (\$104.6 million) in FY 1999 for needed in-house care functions. This amount is included in the in-house care program, but is not included in the DHP totals since specific sources for the reprogramming have not yet been identified. Therefore, it is necessary to offset the increase.

### Procurement Program (\$ in Millions)

<u>Funding Summary</u>	FY 1998		Price		Program		FY 1999		Price		Program		FY 2000	
	<u>Actual</u>		<u>Growth</u>		<u>Growth</u>		<u>Estimate</u>		<u>Growth</u>		<u>Growth</u>		<u>Estimate</u>	
Med Equip - Replacement/Modernization	363.6		+4.7		+18.3		386.6		+6.2		-45.2		347.6	
Med Equip - New Facility Outfitting	28.8		+0.4		-14.8		14.4		+0.2		-5.2		9.4	
Total	392.4		+5.1		+3.5		401.0		+6.4		-50.4		357.0	

The DHP appropriation also funds procurement of capital equipment in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded, or altered health care facilities. Also funded are the modernization and replacement of equipment, which is past its useful life and automated equipment in support of the TRICARE Management Activity. In FY 2000, the funding for procurement of capital equipment declines from \$401.0 million to \$357.0 million, a decrease of \$44.0 million. This decrease consists of a \$6.4 million price increase and a net program decrease of \$50.4 million or 12.4 percent. This program decrease includes a \$41.5 million reduction in replacement and modernization for medical information system equipment, a \$5.1 million reduction in initial outfitting, and a net decrease of \$3.8 million in other replacement and modernization equipment.

**DEFENSE HEALTH PROGRAM**

**Research, Development, Test and Evaluation (RDT&E) Program**  
**(\$ in Millions)**

**Funding Summary**

**RDT&E**

<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
-	-	+19.4	19.4	+0.2	-19.6	-

Consistent with congressional direction, no funding is requested for RDT&E efforts related to DoD's DHP. When the Department first proposed centralizing all medical-related resources into the DHP (Amended FY 1992/93 Biennial Budget, January 1992), the Congress opposed the transfer of medical research as part of the DHP and realigned these resources to the Services' RDT&E appropriations for execution. Therefore, these one-time congressionally mandated medical research programs in FY 1999 are not continued in FY 2000.

## DEFENSE HEALTH PROGRAM

### Program Data

	<u>FY 1998</u>	<u>Actual</u>	<u>Change</u>	<u>FY 1999</u>	<u>Estimate</u>	<u>Change</u>	<u>FY 2000</u>	<u>Estimate</u>
<b><u>Organic Medical Programs</u></b>								
Hospitals/Medical Centers		108	-6		102	-4		98
Clinics		480	+9		489	-		489
Dispositions (000)		323	-2		321	+4		325
Inpatient Work Units (000)		349	-2		347	+4		351
Occupied Bed Days (000)		1,121	-3		1,118	+2		1,120
Average Length of Stay (Days)		3.12	+0.02		3.14	-0.02		3.12
Ambulatory Visits (000)		32,531	-137		32,394	-226		32,168

### **Managed Care Support (MCS) Contracts (000)**

Total CHAMPUS Eligibles	5,273.4	-53.2	5,220.2	-50.6	5,169.6
Total CHAMPUS Users	4,030.5	-37.6	3,992.9	-39.1	3,953.8

### **Civilian Personnel (Full-Time Equivalents) 1/**

U.S. Direct Hire	39,810	-2,526	37,284	-928	36,356
Foreign National Direct Hire	623	-96	527	-3	524
Total Direct Hire	40,433	-2,622	37,811	-931	36,880
Foreign National Indirect Hire	1,597	+151	1,748	-13	1,735
Total	42,030	-2,471	39,559	-944	38,615

### **Military Personnel End Strength (000)**

Officers	34,980	-315	34,665	-1,640	33,025
Enlisted	67,326	-2,523	64,803	-4,536	60,267
Total	102,306	-2,838	99,468	-6,176	93,292

1/ Includes direct & reimbursable funded

# DEFENSE HEALTH PROGRAM

## Program Data

<u>Eligible Beneficiary Population (000)</u>	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Active Duty	1,589.1	-28.6	1,560.5	-21.4	1,539.1
Dependents of Active Duty	2,223.5	-23.7	2,199.8	-28.6	2,171.2
Dependents of Retirees Under 65	1,912.8	-21.3	1,891.5	-11.2	1,880.3
Retirees Under 65	1,137.1	-8.2	1,128.9	-10.8	1,118.1
Beneficiaries Over 65	1,326.2	+50.6	1,376.8	+50.2	1,427.0
Total	8,188.7	-31.2	8,157.5	-21.8	8,135.7
<u>User Population (000) 2/</u>					
Active Duty 3/	1,589.1	-28.6	1,560.5	-21.4	1,539.1
Dependents of Active Duty 4/	2,119.2	-22.7	2,096.5	-27.3	2,069.2
Dependents of Retirees Under 65	1,204.9	-10.8	1,194.1	-5.9	1,188.2
Retirees Under 65	706.4	-4.1	702.3	-5.9	696.4
Beneficiaries Over 65	339.0	+13.5	352.5	+13.5	366.0
Total	5,958.6	-52.7	5,905.9	-47.0	5,858.9

2/ Reflects beneficiaries who rely on Medical Health System (MHS) as a source of care.

3/ Includes Active, Guard, and Reserve entitled to medical benefits.

4/ Includes Dependents of Active, Guard, and Reserve entitled to medical benefits.



# **DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES**

(\$ in Millions)				
FY 1998	Price	Program	FY 1999	FY 2000
<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
712.9*	+7.6	+55.1	775.6	788.1
				<u>Growth</u>
				-1.1

\* Included for comparability: these funds were transferred to other defense appropriations for execution.

The Department of Defense continues to pursue a wide range of activities in support of the counterdrug objective of the President's *National Security Strategy of the United States*, "...to reduce the flow of illegal drugs into the United States by encouraging reduction in foreign production, combating international traffickers, and reducing demand at home." Following the President's guidance, the 1998 National Drug Control Strategy outlines five major goals: (1) educate and enable America's youth to reject illegal drugs and substance abuse; (2) increase the safety of America's citizens by substantially reducing drug-related crime and violence; (3) reduce the health and social costs of illegal drug use; (4) shield America's air, land, and sea frontiers from the drug threat; and (5) break foreign and domestic sources of supply. While DoD supports all five strategic goals, most of DoD's efforts are focused on goals 4 and 5.

The plans and programs of the Department constitute an important and integral part of the U.S. Government's multinational and multi-agency approach to counter the flow of illegal drugs into the United States and fulfill a key and essential role in our nation's fight against illegal drugs. This mission includes the following responsibilities which have been legislated by Congress: (1) to act as the single lead Federal agency for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States in support of law enforcement agencies; (2) to integrate command, control, communications, and technical intelligence assets of the Federal Government dedicated to drug interdiction into an effective communications network; (3) to approve and fund Governors' State plans for expanded use of the National Guard, when not in Federal service, in support of drug interdiction and counterdrug activities, authorized by the laws of the state concerned; and (4) to train U.S. and foreign law enforcement agency personnel in counterdrug tactics and operations, to establish and operate up to three Forward Operating Locations (FOLs) in the transit and source zone of operations, to provide for the transportation of personnel and equipment for counterdrug interdiction missions, and to provide for counterdrug support and the maintenance and repair of equipment of the U.S. and foreign law enforcement agencies.

The DoD Counterdrug (CD) Program is funded through the Drug Interdiction and Counter-Drug Activities, Defense transfer account with the exception of the OPTEMPO and active military personnel components of the counterdrug program. The transfer account provides inherent flexibility for the Department's CD program that is essential to effectively respond to the dynamic nature of the counterdrug threat. The OPTEMPO portion of the CD program (estimated at \$166.5 million in FY 1999 and \$166.7 million in FY 2000, respectively) while budgeted in the Services' O&M accounts, supports the President's National Counterdrug Strategy and is managed by the DoD Drug Coordinator as an integral part of the Department's CD effort.

## DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

As displayed in the table below, the Department's Counterdrug request in FY 2000 for the Drug Interdiction and Counter-Drug Activities, Defense transfer account is \$788.1 million, an increase of \$12.5 million above the \$775.6 million appropriated in FY 1999. The FY 2000 request reflects price growth of \$13.6 million and a net program decrease of \$1.1 million or 0.1 percent. The following program dynamics, however, are included within this small program change.

- A decrease of \$5.3 million for functional realignments,
- A decrease of \$48.0 million for programs added by the Congress in FY 1999 but not continued in FY 2000,
- An increase of \$77.5 million to continue Panama Treaty Implementation programs. Of this increase, \$45.7 is because the FY 1999 estimate of \$775.6 million does not included a planned \$45.0 reprogramming into the Drug Interdiction and Counter-Drug Activities, Defense account (reference Offset line in the table).
- Other net program decreases of \$25.3 million.

### FUNDING BY GOAL (\$ in Millions)

	FY 1998	Price	Program	FY 1999	Price	Program	FY 2000	Net
	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	FY99-00 <u>Change</u>
Educate America's Youth	14.5	+1	+9.5	24.1	+3	-7.6	16.8	-7.3
Increase Safety of Citizens	98.1	+1.2	+25.9	125.2	+1.9	-44.2	82.9	-42.3
Reduce Health & Social Costs	74.3	+5	-4.7	70.1	+1.0	+1.1	72.2	+2.1
Shield America's Frontiers*	299.5	+3.6	+40.3	343.4	+7.2	-23.2	327.4	-16.0
Break Drug Sources of Supply*	226.5	+2.2	+29.1	257.8	+3.9	+27.1	288.7	+30.9
Offset	-	-	-45.0	-45.0	-7	+45.7	-	+45.0
<b>Total</b>	<b>712.9</b>	<b>+7.6</b>	<b>+55.1</b>	<b>775.6*</b>	<b>+13.6</b>	<b>-1.1</b>	<b>788.1</b>	<b>+12.5</b>

\*To provide comparability between FY 1999 and FY 2000, the Shielding America's Frontiers and Break Drug Sources of Supply goals have been increased by \$25.8 million and \$19.2 million, respectively, to reflect a planned reprogramming of \$45.0 into the counterdrug Central Transfer Account in FY 1999. The reprogramming is to partially finance increased counterdrug requirements resulting from the implementation of the Panama Canal Treaty.

## DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

The following provides program change highlights for each of the five goals outlined in the President's National Counterdrug Strategy as well as the Offset category.

FY 1999-FY 2000  
Program Growth  
(\$ in millions)  
-1.1

### **Net Program Growth**

#### **Goal 1:** *Educate And Enable America's Youth To Reject Illegal Drugs And Substance Abuse*

-7.6

- The FY 2000 budget provides \$16.8 million for the National Guard State Plans and Service's outreach programs (\$16.3 million) and the Young Marines outreach program (\$.5 million). The net program reduction of \$7.6 million results from a one-time congressional increase of \$5.4 million in FY 1999 only for National Guard and Young Marines' Outreach programs and a \$2.2 million decrease for substance abuse training and outreach programs.

#### **Goal 2:** *Increase The Safety Of America's Citizens By Substantially Reducing Drug-Related Crime And Violence*

-44.2

- The FY 2000 budget provides \$82.9 million for DoD support to Federal, state, and local drug law enforcement agencies' (DLEAs) requests for domestic operational and logistical support to assist them in their efforts to reduce drug-related crime. Of this amount, \$66.5 million is designated for National Guard State Plans, \$2.2 million is for the congressionally-directed Gulf States Counterdrug Initiative (GSCI) at the Regional Counterdrug Training Academy (RCTA), \$2.0 million for the congressionally-directed Florida National Guard Multi-Jurisdictional Counterdrug Task Force Academy in St. Petersburg, \$7.5 million for Joint Task Force (JTF)-6 and reserve support to DLEAs, \$1.9 million is for Command, Control, Communications, and Intelligence (C4I) support, and \$2.8 million is for non-operational support.
- The net program reduction of \$44.2 million results primarily from a one-time FY 1999 congressional increase of \$37.5 million for National Guard State Plans, the Multi-Jurisdictional Task Force, Gulf States Counterdrug Initiative, Counternarcotics Center at Hammer, and the Northeast Counterdrug Training Center in Pennsylvania. It also reflects shifting \$4.3 million of National Guard effort for the National Guard Southwest Border and marijuana eradication efforts to Goals 4 and 5. Additionally, the decrease reflects a functional realignment from the Central Transfer Account of \$1.2 million for the JMIP portion of the Gulf States

## DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

Counterdrug Initiative Program to the O&M, Defense-Wide (Office of the Secretary of Defense, C3I) appropriation due to the expansion of the mission beyond the focus of counterdrug program, and other program decreases of \$1.2 million.

### Goal 3: Reduce The Health And Social Costs Of Illegal Drug Use

+1.1

- The FY 2000 budget provides \$72.2 million for the continuation of support for DoD Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel. The net program increase of \$1.1 million is primarily for increased drug testing.

### Goal 4: Shield America's Air, Land, And Sea Frontiers From The Drug Threat

-23.2

- In FY 2000, \$327.4 million is designated to execute counterdrug detection and monitoring programs to assist law enforcement agencies to counter the flow of drugs in transit into Puerto Rico and the Virgin Islands and across the U.S. Southwest border into the United States. Of this amount, \$57.3 million is for C4I support in the transit zone and along the Southwest border; \$141.1 million is for detection and monitoring platforms and assets; \$9.8 million is for Ground Based End Game Operations in Mexico; \$48.0 million is for National Guard State Plans; \$45.2 million is for JTF-6 and Reserves operational support to DLEAs along the Southwest border, Puerto Rico, and the Virgin Islands; \$8.5 million is for SIGINT collection and processing; and \$17.5 million for non-operational support, to include research and development activities.
- There is a net programmatic decrease of \$23.2 million. This includes decreases of \$6.7 million associated with one-time procurements in FY 1999 of SH-60 and Patrol Coastal forward looking infrared sensors (FLIRs) (\$5.6 million) and an uninterrupted power supply system for the JIATF-East facility in Key West, Florida (\$1.0 million). Also, a decrease of \$10.4 million is included as the restructure of SOUTHCOM and JIATF-EAST is completed. Additionally, program decreases of \$24.7 million for congressional adds in FY 1999 for the Southwest Border Fence, Southwest Border Information Systems, National Guard State Plans, Caper Focus, and Caribbean/Eastern Pacific Surface are not carried forwarded and by \$4.2 million for program transfers. The decrease is partially offset by programmatic increases for: the National Guard Southwest Border efforts (\$3.6 million); research and development efforts for detection and monitoring (\$3.3 million); procurement of Aerostat spares support (\$8.7 million); intelligence programs (\$1.5 million), enhancements for the Relocatable Over-The-Horizon Radar (ROTHR) program (\$1.5 million), and increases of \$4.2 million for other transit zone operations.

## DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

FY 1999-FY 2000

Program Growth  
(\$ in millions)

+27.1

### Goal 5: Break Foreign And Domestic Sources Of Supply

- In FY 2000, \$288.8 million is designated for DoD support to continue to provide critical intelligence support, target cueing, and initial detection and monitoring, and other support to U.S. and host nation counterdrug law enforcement entities. Emphasis will be placed on development of a necessary and complementary riverine strategy and corresponding host nation capabilities, while air interdiction and endgame capabilities in the source region are sustained and improved. Of this amount, DoD will provide \$54.9 million for C4I in support of source nation law enforcement initiatives; \$93.8 million for detection, monitoring, and interdiction programs; \$7.1 million for intelligence support and analysis; \$23.3 million for National Guard marijuana eradication efforts; \$87.1 million for operational support to DLEAs to include Ground Based End Game Operations in SOUTHCOM and the riverine interdiction initiative; \$20.3 million for SIGINT collection and processing to include support for the Airborne Reconnaissance-Low platform; and \$2.1 million for non-operational support.
- The net programmatic increase of \$27.1 million results primarily from a \$43.2 million post-Panama Canal Treaty implementation requirement in FY 2000, security enhancements of \$1.6 million for the ROTH in Puerto Rico, and a realignment of \$4.0 million for the National Guard marijuana eradication program. These amounts are partially offset by a decrease of \$15.4 million associated with a one-time FY 1999 congressional increase for National Guard State Plans and Observation Spray Aircraft, a reduction of \$5.6 million for intelligence programs, and other program reductions of \$0.7 million.

### Offset:

+45.7

DoD continues to support U.S. Southern Command's (USSOUTHCOM) extensive reorganization of the transit zone's Command, Control, and Intelligence (C3I) and operational infrastructure as required by full implementation of the 1977 Panama Canal Treaty. The USSOUTHCOM has restructured its theater architecture in support of counterdrug missions and has streamlined operations by merging Joint Interagency Task Force (JIATF)-East and JIATF-South, by consolidating the Caribbean Regional Operations Center (CARIBROC) and the Southern Regional Operations Center (SOUTHROC), and by developing Forward Operating Locations (FOLs) to aid transit and source zone operations. As a consequence of these actions, counterdrug requirements funded in the Drug Interdiction and Counter-Drug Activities, Defense account increase by \$53.4 million in FY 1999, none of which was anticipated in the FY 1999 President's budget request or appropriated by the Congress for this effort. To meet this requirement, \$8.4 million will be made

## DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES

available by curtailing approved counterdrug programs. To finance the remaining amount, the Department intends to submit a prior approval reprogramming (\$45.0 million) in FY 1999. This \$45.0 million is included in amounts shown for the Shielding America's Frontiers (\$25.8 million) and Break Drug Sources of Supply (\$19.2 million) goals, but is not included in the Counterdrug totals since specific sources have not yet been identified. Therefore, it is necessary to offset the \$45.0 million increase in FY 1999.

## FORMER SOVIET UNION THREAT REDUCTION

<u>(\$ in Millions)</u>				
<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Estimate</u>
381.5	+4.2	+54.7	440.4	475.5
				<u>+28.5</u>
				<u>+6.6</u>

The FY 2000 budget request contains \$475.5 million to support continuation of the destruction and nonproliferation of nuclear, chemical, and other weapons of mass destruction in Russia and the Ukraine. The budget request increases by \$6.6 million for price growth and \$28.5 million for net program growth (6.4 percent). The program growth includes \$12.8 million for increased dismantlement of submarine launched ballistic missiles (SLBM) and SS-18 weapon systems. The program also increases by \$40.7 million to begin construction of the Chemical Weapons Destruction Facility at Shchuch'ye, by \$2.7 million to fund the now higher U.S. cost-share of constructing a 25,000 container Fissile Material Storage Facility at Mayak, and by \$4.0 million for other program changes including exchanges of defense and military contacts. Partially offsetting program decreases include completing the elimination of the SS-19 weapon system (\$15.2 million), schedule changes in the Reactor Core Conversion project (\$10.2 million), and the availability of prior year unobligated balances to finance administrative support requirements program (\$6.3 million).

The following table shows the FY 1998 to FY 2000 funding for the Former Soviet Union Threat Reduction program:

	<u>(\$ in Millions)</u>			
	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Strategic Offensive Arms Elimination – Russia	77.9	+64.5	142.4	157.3
Strategic Nuclear Arms Elimination – Ukraine	76.7	-29.2	47.5	33.0
Chain of Custody				
Fissile Material Storage Facility – Russia	57.7	+3.2	60.9	64.5
Fissile Material Storage Containers – Russia	7.0	-7.0	-	-
Warhead Dismantlement Processing – Russia	-	+9.4	9.4	9.3
Nuclear Weapons Transportation Security – Russia	-	+10.3	10.3	15.2
Weapons Storage Security – Russia	36.0	+5.7	41.7	40.0
Reactor Core Conversion – Russia	41.0	-11.2	29.8	20.0

## FORMER SOVIET UNION THREAT REDUCTION

	(\$ in Millions)					
	FY 1998		FY 1999		FY 2000	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Biological Weapons Proliferation Prevention	2.0	-	2.0	-	2.0	2.0
Chemical Weapons Destruction	53.4	+35.0	88.4	+42.0	130.4	130.4
Other Program Support	29.8	-21.8	8.0	-4.2	3.8	3.8
<b>Total</b>	<b>381.5</b>	<b>+58.9</b>	<b>440.4</b>	<b>+35.1</b>	<b>475.5</b>	<b>475.5</b>

The objectives for the Former Soviet Union (FSU) Threat Reduction program for FY 2000 are as follows:

### **Strategic Offensive Arms Elimination - Russia:**

- Dismantle and dispose of nuclear powered ballistic missile submarines (SSBNs), operate facilities to disassemble and eliminate Former Soviet Union (FSU) missiles, and eliminate SS-18 silo launchers;
- Continue to accelerate Strategic Arms Limitation Talks (START) I mandated reductions and support the Presidential START II and Helsinki Agreements.

### **Strategic Nuclear Arms Elimination - Ukraine:**

- Continue to dismantle START accountable strategic bombers and air launched cruise missiles;
- Continue to eliminate all START-accountable SS-24 missiles and silo launchers.

### **Chain of Custody (Nuclear Weapons and Fissile Materials) - Russia:**

- Enhance the security, control, and accounting of nuclear weapons in transit and storage;
- Download nuclear warheads from delivery systems and transport warheads to safe, secure storage and dismantlement facilities;
- Design, construct, and certify the operation of a Fissile Material Storage Facility (FMSF) for safe, secure, and ecologically sound storage of fissile material from 12,500 dismantled nuclear weapons;
- Accelerate the dismantlement of strategic and non-strategic nuclear warheads and prepare the resulting fissile materials for long term, safe, and secure storage in the FMSF.

**Reactor Core Conversion - Russia:** Cease production of weapons-grade plutonium at the three remaining production reactors in Russia to include:

- Design and installation of improved operational reactor safety features,
- Preparation of the production capacities for manufacturing fuel elements and neutron absorber elements,
- Technical assistance in the review of the reactor design by U.S. experts.



## **FORMER SOVIET UNION THREAT REDUCTION**

### **Biological Weapons (BW) Proliferation Prevention – FSU:**

- Dismantle former BW production facilities and reduce the potential for proliferation of dangerous biological pathogens by securing research pathogen banks;
- Support DoD force protection collaborative research with Russian scientists.

**Chemical Weapons (CW) Destruction – Russia:** Support the President's commitment at the Helsinki Summit to design, construct, and certify for operations a pilot facility for safe, secure, and ecologically sound CW destruction of weaponized nerve agents.

### **Other Program Support:**

- Conduct congressionally mandated Audit and Examination (A&E) program to ensure cooperative threat reduction (CTR) assistance is used for the intended purpose;
- Conduct defense and military contacts between DoD and FSU military.

	<u>(\$ in Millions)</u>					
FY 1998						
<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
137.8	Growth	Growth	Estimate	Growth	Growth	Estimate
	+4.1	-9.8	132.1	+4.5	+4.2	140.8

The budget includes \$140.8 million for the OIG, which reflects an increase in FY 2000 of \$4.5 million for price growth and \$4.2 million for program growth. This program increase of 3.1 per cent finances additional financial statement and audit workload and ensures audit and criminal investigative coverage of high-risk areas. To carryout this effort, civilian full-time equivalents increase by 18 from 1,225 in FY 1999 to 1,243 in FY 2000. Further, the OIG has increased the use of contracted computer services both for agency ADP support and computer intrusion investigations. This increased contracting support allows for the realignment of additional manpower to cover audit and criminal investigations workload.

# OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Millions)

FY 1998 Actual	Price Growth	Program Growth	FY 1999 Appropriation	Price Growth	Program Growth	FY 2000 Estimate
(3,144.1)*	+18.0	-863.5	2,298.6**	+3.4	+85.6	2,387.6

\* Provided for comparison purposes. This amount was transferred to and obligated in the Service/Agency O&M appropriations.

\*\* Amounts appropriated in FY 1999 were \$1,956.1 million. In addition, \$342.5 million is available from amounts appropriated in FY 1998.

Note: All entries exclude funds appropriated to Services/Military Personnel appropriations for the cost of contingency operations.

The Overseas Contingency Operations Transfer Fund (OCOTF) was established by the FY 1997 DoD Appropriations Act to meet operational requirements in support of contingency operations without disrupting approved program execution or force readiness. The OCOTF was established as a "no year" transfer account, and provides additional flexibility to meet operational requirements by transferring the assets to the Military Components based on actual execution experience as events unfold during the year of execution. The OCOTF supports the operation and maintenance requirements of the respective Services and Agencies for operations in Southwest Asia (SWA) and Bosnia.

**Bosnia:** The FY 2000 President's budget includes \$1,462.6 million in the FY 2000 to maintain a steady-state U.S. troop level of 6,900 in Bosnia, which is the approximate number of personnel currently in Bosnia. Including the cost of Bosnia operations in the FY 2000 budget is consistent with congressional direction. After the submission of the President's budget request for FY 2000, a decision was made to reduce the U.S. troop strength from 6,900 to 6,200 based on an assessment of progress in Bosnia. The troop reduction will be completed by the end of FY 1999. Any cost savings in FY 2000 have not been determined as of the publication of this document. The amounts do not include any costs for operations in Kosovo.

**Southwest Asia:** This account also includes \$925.0 million in FY 2000 to continue operations in Southwest Asia (SWA). The FY 2000 request is \$42 million more than currently available for FY 1999 operations in SWA; however, the FY 1999 amounts do not include the cost of Desert Thunder (the aborted strike on Iraq in November 1998), Desert Fox (the limited air strikes on Iraq in December 1998), or other enhanced SWA operations in FY 1999. The FY 2000 budget assumes a steady-state force level based on the force structure in place at the end of FY 1998.

## OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

(\$ in Millions)					
	FY 1998	Price	Program	FY 1999	Program
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>
Humanitarian Demining	25.1	0.3	8.8	34.2	-9.1
Humanitarian Assistance	22.0	-1.0	-5.2	15.8	+14.3
Grant to Red Cross	<u>36.5</u>	<u>0.4</u>	<u>-36.9</u>	<u>-</u>	<u>-</u>
Total	83.6	-0.3	-33.3	50.0	+5.2
					<u>55.8</u>

The FY 2000 President's budget requests \$55.8 million in the Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) account to finance humanitarian demining and humanitarian assistance programs. This includes a net increase of \$5.8 million above the FY 1999 funding level, which contains price growth of \$0.6 million and program growth of \$5.2 million (10.3 percent).

Humanitarian Demining Program: In support of the Demining 2000 Initiative, which seeks to focus the efforts of the United States in cooperation with the international community to eliminate the worldwide landmine problem, the FY 2000 OHDACA budget includes \$25.6 million to fund the geographical Commanders-in-Chief's (CINCs) humanitarian demining activities and supporting programs. Based on historical execution of the humanitarian demining program (\$9.6 million of FY 1998 demining funds remained available to finance FY 1999 demining activities in addition to the \$34.2 million appropriated in FY 1999), the FY 2000 budget projects that \$8.8 million of FY 1999 funds will remain available to finance FY 2000 activities. Therefore, even though funds requested for FY 2000 represent a net decrease of \$8.6 million, a total of \$34.4 million will be available to finance FY 2000 demining activities when projected FY 1999 carryover funds are taken into consideration. These funds will be used to assess the landmine status of newly designated countries; fund ongoing worldwide training operations; fund high-priority emerging operations such as Bosnia; and evaluate current programs to determine if projected "end states" have been met. Recipients receiving or being considered to receive humanitarian demining assistance include: Bosnia, Cambodia, Chad, Costa Rica, Croatia, Estonia, Egypt, Guatemala, Honduras, Jordan, Mauritania, Moldova, Mozambique, Laos, Lebanon, Namibia, Nicaragua, Oman, Rwanda, Swaziland, Thailand, Vietnam, Yemen and Zimbabwe.

## OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

Humanitarian Assistance: The FY 2000 budget request includes \$30.2 million for FY 2000 to finance general humanitarian assistance worldwide activities which includes price growth of \$0.1 million and program growth of \$14.3 million (9.0 percent) to improve DoD's responsiveness to humanitarian disasters and enhance the CINCs' humanitarian peacetime engagement activities. Program segments include: CINC humanitarian assistance programs, emergency responses carried out mostly by the CINCs (including Humanitarian Daily Rations), and routine transportation provided for privately donated relief supplies. Program descriptions and proposed funding levels for humanitarian assistance follow.

1. CINC humanitarian assistance programs: The budget includes \$21.2 million in FY 2000 for CINC humanitarian assistance activities. DoD, in coordination with the Department of State, transports excess defense non-lethal property in support of U.S. national security and foreign policy objectives. Funding also provides for other targeted assistance to Sub-Saharan Africa, the Pacific Rim, Asia, Europe, North Africa, Latin America, the Caribbean, and the Middle East. The CINCs conduct humanitarian activities as part of their peacetime engagement strategy and to enhance readiness for humanitarian emergency crisis response in their regions. These activities support initiatives that ensure proper administration of the program and allow DoD to anticipate future requirements and understand key issues related to humanitarian assistance. Programs include technical and administrative assistance as well as studies to support CINC plans to improve civilian-military cooperation and coordination in humanitarian programs and operations. Additionally, this program allows the Department to respond to requests from other Federal agencies to further U.S. national security and foreign policy objectives.
2. CINC emergency responses: The budget contains \$8.0 million in FY 2000 to improve the capacity of the Department to respond to disasters and to the humanitarian aspects of security crises. Among the activities covered by this item are transportation of emergency assistance (procurement and excess property) during foreign disasters and programs to prepare for such activities. Of this amount, \$1.7 million will be used to procure 400,000 Humanitarian Daily Rations (HDRs) and to preposition and store these HDRs. The remaining \$6.3 million is included to cover the costs of other DoD crisis response and preparedness activities.
3. Transportation of donated relief: The budget contains \$1.0 million in FY 2000 to transport privately donated goods. Transport for other organizations' relief supplies is accomplished by the lowest cost transportation available (usually by sea or in-theater air assets).

# **QUALITY OF LIFE ENHANCEMENTS, DEFENSE**

(\$ in Millions)

FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
360.0	+5.4	+89.6	455.0	+6.8	+1,383.5	1,845.3

The Quality of Life (QoL) Enhancements, Defense appropriation was established by Congress to fund the Department's backlog of real property and maintenance, including minor construction and major maintenance and repair in the areas of barracks, dormitories, and related facilities. In FY 2000, the Department has followed recent congressional practice and budgeted \$1,845.3 million in the QoL Enhancements, Defense appropriation. The funds budgeted for repair and maintenance of QoL-type facilities in this account is given special emphasis by protecting them from diversion to other O&M requirements and to encourage better management of the funds by giving them a 2-year life. The FY 2000 budget request includes price growth of \$6.8 million and net program growth of \$1,383.5 million. This program growth includes the realignment of \$862.8 million from the Components' O&M appropriation and a real program increase of \$520.7 million.

The following is the specific funds allocation by Component.

(\$ in Millions)

	FY 1998		FY 1999		FY 2000
<u>Component</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	100.0	+37.0	137.0	+589.0	726.0
Navy	70.0	+51.0	121.0	+387.4	508.4
Marine Corps	45.0	-18.0	27.0	+93.2	120.2
Air Force	145.0	-37.0	108.0	+292.8	400.8
Army Reserve	-	+26.0	26.0	-26.0	-
Navy Reserve	-	+12.4	12.4	+1.4	13.8
Marine Corps Reserve	-	+7.6	7.6	-6.7	.9
Air Force Reserve	-	+6.0	6.0	+6.2	12.2
Air National Guard	-	+10.0	10.0	+53.0	63.0
Total	360.0	+95.0	455.0	+1,390.3	1,845.3

## AIR OPERATIONS

(\$ in Millions)

	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change	FY 2000 Estimate
Army	794.6	+39.1	+15.8	849.5	+19.8	+92.0	961.3
Army Reserve	22.0	+1.0	+11.8	34.8	+1.0	+11.7	47.5
Army National Guard	213.4	+2.3	+88.9	304.6	+4.6	+34.3	343.5
Navy	5,467.2	-105.7	-1,182.0	4,179.5	-182.8	+216.3	4,213.0
Navy Reserve	533.2	-10.3	-77.1	445.7	-24.6	-11.9	409.2
Air Force	10,709.3	+10.6	-961.7	9,758.2	-117.7	+609.7	10,250.2
Air Force Reserve	1,554.4	+9.1	+102.1	1,665.6	-10.8	-11.1	1,643.7
Air National Guard	3,071.0	+31.6	+6.4	3,109.0	-19.9	-1.8	3,087.3
USSOCOM	421.0	+0.5	+1.5	423.0	-1.8	+8.2	429.4
Defense Health Program	84.7	+2.3	-5.0	82.0	+2.3	-5.6	78.7
Total	22,870.7	-19.5	-1,999.3	20,851.9	-329.9	+941.8	21,463.8

### ARMY

Army Flight Operations funds the combat major commands (MACOMS), as well as several other agencies and commands. Within the combat MACOMS, rotary wing aircraft are resourced at an average OPTEMPO of 14.5 hours per crew per month. Also included are the hours associated with the Combat Aviation Training Brigade at Fort Hood (an agency that serves as the Army's collective trainer), fixed wing aircraft hours, and hours for the training of pilots associated with Reserve Trainer Detachments. Army Flight Training supports the Army's flight training program at Fort Rucker, as well as training programs at the Intelligence School at Fort Huachuca, the Infantry School at Ft. Benning, and the Ft. Eustis Transportation Training Center. A small program funds hours for the remaining nontraining fleet in the Training and Doctrine Command and hours at the United States Military Academy. The Servicewide Support program funds a small international program at Supreme Headquarters Allied Powers Europe (SHAPE) and Headquarters Land South East (HSLE) as well as the Army Material Command's Corpus Christi Army Depot, and the Aviation Missile Command's Navy Test Pilot School.

## AIR OPERATIONS

	(\$ in Millions)			
	FY 1998 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 1999 <u>Estimate</u> Price <u>Change</u> Program <u>Change</u> FY 2000 <u>Estimate</u>
Army Flight Ops	532.4	+23.2	+25.1	580.7 +8.4 +118.3 707.4
Depot Maintenance	163.2	+12.7	-15.9	160.0 +6.7 -27.7 139.0
Army Flight Training	98.1	+3.1	+5.0	106.2 +4.7 +1.4 112.3
Service-Wide Support	<u>0.9</u>	<u>+1.1</u>	<u>+1.6</u>	<u>2.6</u>
Total	794.6	+39.1	+15.8	849.5 +19.8 +92.0 961.3

### Program Data

	FY 1998 <u>Actual</u>	Program <u>Change</u>	FY 1999 <u>Estimate</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>
Primary Auth Aircraft (PAA)	2,514	-30	2,484	-15	2,469
Total Aircraft Inventory	3,226	-22	3,168	-14	3,147
Flying Hours (000)	579	+9	588	+106	694

**Army Flight Ops:** The FY 2000 program includes an increase from 11.5 flying hours per crew per month to 14.5 hours per month to enhance safety and crew readiness levels. The increased funding will allow more hours for collective training tasks at the platoon, company and battalion Mission Essential task. One CH-47D Heavy Lift Detachment transfers to the Army National Guard in FY 2000. One Command Aviation Company transfers to the Army Reserve.

**Depot Maintenance:** The FY 2000 program includes a reduction in UH-60 overhauls and refurbishments and the transfer of maintenance on the C-12 fixed wing aircraft from depot maintenance to contractor logistics support (CLS).

**Army Flight Training:** The FY 2000 program includes an increase in flying hours to support increased student loads for the Initial Entry Rotary Wing Course.

**Service-Wide Support:** This program provides flying hours for a small international program at SHAPE headquarters and a NATO support program in Turkey.



## AIR OPERATIONS

### ARMY RESERVE

Army Reserve Training Operations fund aviation training and operational requirements. The program includes fuel, consumable repair parts and depot level repair parts to maintain the fleet. Army Reserve fixed wing and rotary wing units support the requirements of the warfighting CINCs. Reserve fixed wing aircraft are an integral part of the military operational support airlift system.

	(\$ in Millions)						
	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change	FY 2000 Estimate
Training Ops	22.0	+1.0	+11.8	34.8	+1.0	+11.7	47.5
<u>Program Data</u>							
Primary Auth Aircraft (PAA)	132		-4	128		+24	152
Total Aircraft Inventory (TAI)	136		-6	130		+22	152
Flying Hours (000)	34		+3	37		+11	48
OPTEMPO (Hrs/Crew/Month)							
Rotary Wing	6.7		+1.6	8.3		+11.5	19.8
Fixed Wing	2.6		+0.4	3.0		-0.2	2.8

The FY 2000 program increase will allow the Army Reserve to increase the aircrew OPTEMPO to achieve the aircrew training manual requirements and to maintain pilot currency. In addition, the FY 2000 program includes the transfer of a CH-47D Chinook company from the active forces to the Reserves and the addition of six C-12 aircraft and two UC-135 lear jets.

### ARMY NATIONAL GUARD

Army National Guard training operations provide for training aircrew members, aviation units and supported combined arms teams to achieve and sustain designated combat readiness. Resources support the utilization, maintenance and overhaul of aviation assets and related support equipment to sustain unit capabilities. These funds are required to maintain and train units for immediate mobilization, and to provide administrative support.

## AIR OPERATIONS

## AIR OPERATIONS

	(\$ in Millions)						
	FY 1998 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 1999 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>
Training Ops	213.4	+2.3	+88.9	304.6	+4.6	+34.3	343.5
<u>Program Data</u>							
Primary Authorized Aircraft (PAA) *							
Total Aircraft Inventory *							
Flying Hours (000)							
OPTEMPO (Hours/Crew/Month)							
Rotary							
Fixed Wing							

\* Includes Counterdrug aircraft which is not included in the Army Guard Justification Book submission.

The FY 2000 program growth is the result of increased OPTEMPO and ramp-up training to collective tasks.

## NAVY

Active Navy air operations fund the operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, logistical support, and base support required to operate, maintain, and deploy aviation forces in support of the national military strategy. Aircraft inventory and flying hours are key indicators of the level of activity funded within the Navy's air operations.

Primary authorized aircraft (PAA) declines in FY 1999 because of force structure changes including the reduction of the number of aircraft per squadron in the F-14 and AV-8B communities. Average PAA decreases from FY 1999 to FY 2000 due to various force structure changes including a reduction in aircraft per squadron in the F-14 and AV-8B communities, and the decommissioning of the ES-3A aircraft. Hours per crew per month, Primary Mission Readiness (PMR), and flying hours in FY 1999 and FY 2000 maintain a level necessary to ensure aircrew readiness and safety. Funding for contingency operations in FY 1999 and FY 2000 are in the Overseas Contingency Operations Transfer Fund (OCOTF) and are not included in this exhibit.

## AIR OPERATIONS

	FY 1998 Actual	(\$ in Millions)				FY 2000 Estimate
		Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change
Flight Operations	2,449.9	-127.0	-138.8	2,184.1	-142.9	+191.3
Fleet Air Training	677.9	-19.7	-	658.2	-29.2	+64.2
Intermediate Maintenance	60.7	+2.1	-16.4	46.4	+1.7	+0.7
Air Operations and Safety Support	62.0	+1.8	+20.3	84.2	+2.1	+5.6
Depot Maintenance	769.1	+42.3	-6.8	804.6	+0.9	-58.6
Depot Operations Support	19.5	+0.4	-	19.9	+0.1	+0.6
Base Support	780.7	-1.1	-779.6	-	-	-
Real Property Maintenance	263.7	+3.2	-266.9	-	-	-
Combat Communications	51.6	-2.4	-2.3	47.0	-6.3	+4.8
Flight Training	314.0	-4.2	+11.3	321.1	-8.0	+7.4
External Relations	14.7	-1.0	+0.3	14.0	-1.2	+0.4
Training Support	3.4	-0.1	-3.3	-	-	-
Total <sup>1/</sup>	5,467.2	-105.7	-1,182.0	4,179.5	-182.8	+216.3

<sup>1/</sup> May not add due to rounding.

Program Data	FY 1998		FY 1999		FY 2000	
	Actual	Program Change	Estimate	Program Change	Estimate	Estimate
Primary Authorized Aircraft (Average PAA)	3,257	-39	3,218	-26	3,192	
Total Aircraft Inventory (TAI) <sup>2/</sup>	4,204	-76	4,128	-19	4,109	
Total Flying Hours (000's)	1,253	+52	1,305	+10	1,315	
Tactical Fighter Wings	10	-	10	-	10	
Hours Per Crew Per Month	21	+1	22	-	22	
Primary Mission Readiness (PMR Percent)	80%	+5	85%	-	85%	
(includes 2% simulator contribution)						
Naval Aviation Installations						
CONUS	19	-2	17	-2	15	
Overseas	9	0	9	-1	8	

<sup>2/</sup> TAI includes active and Reserve primary active inventory, backup, attrition, and reconstitution reserve aircraft for both the Navy and the Marine Corps.

## AIR OPERATIONS

## AIR OPERATIONS

**Mission and Other Flight Operations:** The FY 2000 request includes price decreases of \$142.9 million primarily due to reduced fuel prices. The program growth of \$191.3 million includes \$79.8 million for additional aviation depot level repairable (AVDLR) purchases to buy parts deferred from previous years and \$29.4 million to invest in aviation parts and components which have been re-designed to improve reliability and maintainability. Additional program adjustments reflect estimated increased AVDLR usage based on recent experience.

**Fleet Air Training:** Fleet Air Training includes a price decrease in FY 2000 of \$29.2 million primarily due to reduced fuel prices. Program growth of \$64.2 million includes \$15.2 million for additional aviation depot level repairable (AVDLR) purchases to buy parts deferred from previous years and \$15.6 million to invest in aviation parts and components which have been re-designed to improve reliability and maintainability. Additional program adjustments reflect projected increased AVDLR usage based on recent experience.

**Navy Intermediate Maintenance** The FY 2000 funding reflects price growth of \$1.7 million and programmatic increases of \$.7 million. The net increase will provide additional engineering and technical support for tactical aircraft.

**Air Operations and Safety Support:** The FY 2000 budget reflects a price increase of \$2.1 million and net program increases of \$5.6 million. These increases will provide additional engineering and maintenance on air traffic control equipment, landing aids, and airfield management systems.

**Aircraft Depot Maintenance:** The FY 2000 budget reflects a price increase of \$0.9 million and a program decrease of \$58.6 million. The apparent programmatic decrease is a result of a one-time congressional increase of \$75 million in FY 1999, partially offset by increases to improve airframe and engine readiness levels.

**Aircraft Depot Operations:** The FY 2000 request reflects a price increase of \$.1 million and program growth of \$.6 million. The additional funding will provide improved material salvage from stricken aircraft, maintenance on aircraft awaiting delivery and pickup, aircraft preservation and additional fleet training requirements.

**Base Support and Real Property Maintenance** All base support and real property maintenance functions have been consolidated in new activity/subactivity groups starting in FY 1999 and are no longer part of the Air Operations activity group.

**Combat Communications** Combat communications funds the E-6A/B TACAMO program. This program reflects a pricing reduction of \$6.3 million in FY 2000 and a programmatic increase of \$4.8 million. Programmatic changes reflect the assumption of the Looking Glass mission from the Air Force including the establishment of a detachment at Offutt Air Force Base and associated Interservice Support Agreement with the host activity.

## AIR OPERATIONS

**Flight Training:** The FY 2000 request reflects a price decrease of \$8.0 million and a program increase of \$7.4 million. Program changes include increases of \$17.3 million for outsourcing military billets at numerous bases, \$0.7 million for overhaul of the Helo Landing Trainers, and \$2.0 million for T-45A simulator contract. These increases are partially offset by reductions of \$8.7 million related to the phase out of the TA-4J and \$3.9 million for the T-39N maintenance contract.

**Training Support:** Funding for Training Support is realigned to Flight Training beginning in FY 1999.

**External Relations:** FY 2000 funding remains relatively stable, continuing to support 68 Blue Angels shows.

## NAVY RESERVE

The Naval Air Reserve Force consists of one carrier air wing with a total of eight squadrons, one long-range ASW patrol wings with a total of seven squadrons, one helicopter wing with six squadrons, and one air logistics wing with fourteen squadrons. The Fourth Marine Corps Air Wing (4th MAW) consists of fifteen flying squadrons and supporting units which are budgeted for and maintained by the Commander, Naval Reserve Force. The Air Operations activity group provides funding for all aspects of Navy and Marine Corps Reserve air operations from flying hours to specialized training, maintenance, base operations and associated support. The table provides the funding for the programs supporting Reserve Air Operations. (Note: All base support and real property maintenance are funded in new activity/subactivity groups starting in FY 1999 and are no longer part of the Air Operations activity group.)

	FY 1998 Actual	(\$ in Millions)					
		Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change	FY 2000 Estimate
Mission/Flight Operations	320.0	-15.8	+1.8	306.0	-25.8	+3.6	283.8
Fleet Air Training (FAT)	0.2	-	+0.3	0.5	-	-0.5	-
Intermediate Maintenance	16.8	+0.3	+0.1	17.2	+0.4	-0.4	17.2
Air Operations and Safety Support	3.6	+0.1	-0.6	3.0	+0.1	+0.7	3.8
Depot Maintenance	64.7	+2.5	+51.4	118.7	+0.7	-15.3	104.1
Depot Operations Support	0.2	-	+0.1	0.3	-	-	0.3
Base Support	95.6	+1.9	-97.5	-	-	-	-
Real Property Maintenance	32.0	+7	-32.7	-	-	-	-
Total	533.1	-10.3	-77.1	445.7	-24.6	-11.9	409.2

## AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998</u> <u>Actual</u>	<u>Program</u> <u>Change</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>
Primary Authorized Aircraft (Average PAA)*	444	-9	435	-18	417
Total Flying Hours (000's)	162	10	172	2	174
Tactical Fighter Wings	1	0	1	0	1
Hours Per Crew Per Month	10.8	0	10.8	0	10.8
Primary Mission Readiness (PMR Percent) (includes 2% simulator contribution)	87%	0	87%	0	87%

\*TAI shown under the active account includes Navy and Marine Corps Reserve aircraft.

The FY 2000 request includes price and program reductions of \$24.7 million and \$11.9 million, respectively. Program changes include a \$15.4 million reduction in aviation depot maintenance because of a one-time increase in FY 1999 funding. In addition, one P-3 squadron is being decommissioned and the Naval Air Reserve Activity in Santa Clara, CA is being closed. These reductions are partially offset by an increase in flying hours to support the Marine Corps Reserve flying hour goals.

## AIR FORCE

Active Air Force air operations funding provides the predominant resources supporting combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control and communications; combat crew training; and associated combat related base support.

Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. Air Operations for the Air Force are subdivided into the following categories:

# AIR OPERATIONS

(\$ in Millions)

	FY 1998 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 1999 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>
<b>Air Operations</b>							
Primary Combat Forces	2,139.0	-24.3	+125.2	2,239.9	-52.9	+214.2	2,401.2
Primary Combat Weapons	264.8	+2.7	-36.9	230.6	+3.9	+30.2	264.7
Combat Enhancement Forces	179.0	+1.5	+6.1	186.6	+3.1	+14.4	204.1
Air Operations Training	682.2	-5.9	-81.7	594.6	-11.1	+73.9	657.4
Combat Communications	1,066.5	+2.1	-133.0	935.6	-7.3	+8.1	936.4
Real Property Maintenance	726.5	+7.2	-160.8	572.9	+18.9	-14.2	577.6
Base Support	1,813.4	+22.5	-356.1	1,479.8	+45.1	+310.4	1,835.3
<b>Mobility Operations</b>							
Airlift Operations	1,821.8	+4.9	-487.2	1,339.4	-36.4	+57.0	1,360.0
<b>Training Operations</b>							
Flight Training	398.3	-4.6	+11.9	405.6	-14.5	+80.4	471.5
<b>Other Operations</b>							
Rescue & Recovery	51.9	+0.1	-2.3	49.7	+0.6	+9.9	60.2
<b>DPEM (Air Force-wide)</b>							
	1,565.9	+4.5	+153.1	1,723.5	-67.1	-174.6	1,481.8
<b>Total</b>	10,709.3	+10.6	-961.7	9,758.2	-117.7	+609.7	10,250.2

# AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998 Actual</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Program Change</u>	<u>FY 2000 Estimate</u>
<b>Primary Aircraft Authorized (PAA)</b>					
Bomber	110	+6	116	+10	126
Fighter/Attack	1,320	-25	1,295	+34	1,329
Trainer	875	+57	932	+73	1,005
Mobility	605	-1	604	-2	602
Other	306	+31	337	-46	291
Total	3,216	+68	3,284	+69	3,353
<b>Total Aircraft Inventory (TAI)</b>					
Bomber	175	-3	172	-13	159
Fighter/Attack	1,526	-21	1,505	+34	1,539
Trainer	1,231	-17	1,214	+20	1,234
Mobility	671	-19	660	-2	658
Other	363	+44	399	-10	389
Total	3,966	-16	3,950	+29	3,979
Flying Hours (000)	1,205.4	+122.5	1,327.9	-35.1	1,292.8
Contingency Flying Hours (000)	50.9	-50.9	-	-	-
Fighter Wing Equivalents	13.00	-	13.00	-	13.00
<b>Crew Ratios (Average)</b>					
Bombers					
B-52	1.40	-	1.40	-	1.40
B-2	1.31	-	1.31	-	1.31
B-1	1.31	-	1.31	-	1.31
Fighters	1.25		1.25		1.25

\* Other PAA includes active duty combat enhancement, air operations training, and combat communications.



## AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998 Actual</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Program Change</u>	<u>FY 2000 Estimate</u>
<b>OPTEMPO (Hrs/Crew/Month)</b>					
Bombers	19.3	-1.4	17.9	-2.1	15.8
Fighters	17.0	+0.7	17.7	-0.5	17.2
Airlift	24.5	-0.6	23.9	+0.1	24.0
Tanker	18.4	-1.4	17.0	+0.1	17.1
<b>Primary Mission Capable Rates (%)</b>					
Bombers	64.7	+2.5	67.2	-2.5	64.7
Fighters	74.7	+0.3	75.0	+0.3	75.3
Airlift	70.0	+1.1	71.1	+0.7	71.8
Tankers	79.5	-0.7	78.8	+1.1	79.9
<b>ICBM Inventory</b>					
Minuteman III	500	-	500	-	500
Peacekeeper	<u>50</u>	=	<u>50</u>	=	<u>50</u>
Total	550	-	550	-	550

**Primary Combat Forces** Funding levels increase by \$161.3 million between FY 1999 and FY 2000. Changes include price reductions of \$52.9 million and program growth of \$214.2 million. The increases are primarily the result of force structure changes. Under the continuing B-1 buyback from Attrition Reserve, the B-1 Primary Aircraft Authorized (PAA) will increase from 54 to 62 aircraft. In addition, the B-2 PAA increases from 14 to 16 aircraft. Other changes include increased funding for Depot Level Repairables (from 95 to 100 percent of requirements) and adjustments to flying hour consumption factors.

**Primary Combat Weapons** The FY 2000 funding increases by \$34.1 million from FY 1999. Changes include price growth of \$3.9 million and program growth of \$30.2 million. The increases include depot repair requirements to extend the program life of the Advanced Cruise Missile (ACM) and the Air Launched Cruise Missile (ALCM) to at least FY 2020 and increased costs under the Intercontinental Ballistic Missiles (ICBM) Prime Integrating Contract (PIC).

**Combat Enhancement Forces** The FY 2000 funding level increases by \$17.5 million from FY 1999. Increases include \$3.1 million of price growth and \$14.4 million of program growth. Increases reflect the delivery of two additional Unmanned Aerial Vehicle (UAV) systems and the incorporation of 21 model design series into the Air Force Mission Planning System.

## AIR OPERATIONS

**Air Operations Training:** Funding levels increase by \$62.8 million between FY 1999 and FY 2000. Changes include \$11.1 million in price decreases and \$73.9 million in program growth. Increases include increased fighter pilot production, fully funding of depot level reparables, and additional training exercises and range requirements.

**Combat Communications:** Funding levels include pricing reductions of \$7.3 million, which are offset by program growth of \$8.1 million between FY 1999 and FY 2000. The Joint Stars inventory increases by two aircraft in FY 2000. In addition, funding increases for depot level reparables and the Theater Air Control System (TACS) Program Office.

**Real Property Maintenance:** Funding levels include price increases of \$18.9 million and program reduction of \$14.2 million between FY 1999 and FY 2000. The program decreases are primarily the result of a transfer of real property maintenance funding to the Quality of Life Enhancements, Defense appropriation.

**Base Support:** The FY 2000 funding levels increase by \$355.5 million (\$45.1 million in price growth and \$310.4 million in program growth). Increases include transfers from the Military Personnel, Air Force appropriation as a result of conversion of military spaces to civilian or contract and from the Defense Threat Reduction Agency for host-management responsibility of Johnston Atoll. Funding also supports increases in mobility and deployment requirements, bench stock, and vehicle operations and maintenance.

**Airlift Operations:** The FY 2000 funding levels increase \$20.6 million from FY 1999 (\$36.4 million in price reductions and \$57.0 million in program increases). Operation and maintenance costs for the C-130 increase in FY 2000 to support the installation of Global Positioning System receivers, new auto-pilots, and missile warning sensors. In addition, proficiency and schoolhouse training receive increased funding in FY 2000.

**Flight Training:** The FY 2000 funding levels have increased by \$65.9 million from FY 1999 (\$14.5 million in price reductions and \$80.4 million in program growth). Increases are primarily the result of increased pilot production.

**Rescue and Recovery:** FY 2000 funding increases by \$10.5 million from FY 1999 (\$0.6 million for price growth and \$9.9 million for program growth). The program increase is required for additional pilot training in refueling procedures and rescue/recovery operations.

**Depot Maintenance:** The FY 2000 funding levels decrease by \$ 241.7 million from FY 1999 (\$67.1 million in price reductions and \$174.6 million in program decreases). The program decreases result from the FY 1999 one-time funding increases for depot maintenance and the one-time requirement to recover operating losses in FY 1999 outside the stabilized rate structure.

## AIR OPERATIONS

### AIR FORCE RESERVE

The funds requested are required to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2000 request provides for the operation and training of 60 flying units, 269 mission support units, 12 Air Force Reserve installations, and the flying and mission training of 73,708 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, facility maintenance, medical treatment, civilian pay, travel/transportation, maintenance of other equipment, and base operating support.

(\$ in Millions)					
	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change
Aircraft Operations	997.4	+10.0	+34.6	1,042.0	-3.7
Mission Support Ops	50.1	+1.3	-10.5	40.9	+1.5
Depot Maintenance	221.5	-9.1	+86.1	298.5	-17.5
Base Support	219.6	+5.6	-1.6	223.6	+7.4
Real Property Maintenance	65.8	+1.3	-6.5	60.6	+1.5
Total	1,554.4	+9.1	+102.1	1,665.6	-10.8
					-11.1
					1,058.1
					45.9
					265.4
					235.9
					38.4
					1,643.7

	FY 1998 Actual	Program Change	FY 1999 Estimate	Program Change	FY 2000 Estimate
Primary Aircraft Authorized (PAA)	400	-7	393	-4	389
Total Aircraft Inventory (TAI)	445	+5	450	+8	458
Flying Hours (000)	137	+4	141	+3	144
Tactical Fighter Wing Equivalents	1.0	-	1.0	-	1.0
Crew Ratio (Average)					
Bombers	1.31	-	1.31	-	1.31
Fighters	1.25	-	1.25	-	1.25

## AIR OPERATIONS

## AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998</u> <u>Actual</u>	<u>Program</u> <u>Change</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>
<b>OPTEMPO (Hrs/Crew/Month)</b>					
Bombers	14.8	+1.2	16.0	-1.8	14.2
Fighters	11.4	-0.6	10.8	+0.4	11.2
Tankers	15.0	-	15.0	-	15.0
Strategic Airlift	8.2	+0.1	8.3	-	8.3
Tactical Airlift	12.8	+0.7	13.5	-0.1	13.4

**Air Operations:** The FY 2000 request increases by \$ 16.1 million (\$-3.7 million of price decreases and \$19.8 million of program growth) from FY 1999. The increase is primarily the result of fully funding depot level reparables, increased training for F-16 aircrews, and implementation of the C-130 schoolhouse at Dobbins AFB, GA.

**Mission Support Operations:** The FY 2000 budget includes price growth of \$1.5 million and program growth of \$3.5 million. The increase is primarily the result of a realignment of civilian personnel to meet mission requirements.

**Depot Maintenance:** The FY 2000 budget decreases from FY 1999 levels (\$-17.5 million in price changes and \$-15.6 million in program changes). The program decrease reflects less engine maintenance scheduled for the C-5 and C-130 aircraft which is partially offset by increases in maintenance for the KC-135, B-52, F-16, and C-141.

**Base Support:** The FY 2000 budget request includes \$7.4 million in price growth and \$4.9 million in program growth. The growth in FY 2000 is primarily for improved information technology and increased travel costs.

**Real Property Maintenance:** The FY 2000 budget request includes price growth of \$1.5 million offset by a program reduction of \$23.7 million. The reduction includes a transfer to the Quality of Life Enhancements, Defense appropriation and a reduction in Plant Replacement Value (PRV) as facilities outside the cantonment areas at Reserve bases were removed from the calculation. These facilities will be financed from other DoD appropriations.

## AIR OPERATIONS

### AIR NATIONAL GUARD

Air National Guard air operations provide for the flying and maintenance of Air National Guard mission related aircraft. These funds also provide for the facilities, equipment, and manpower required to train, equip, and support the Air National Guard force structure at a combat readiness level that enables it to immediately assimilate into the active Air Force and to be capable of conducting independent operations in accordance with unit taskings.

(\$ in Millions)					
	FY 1998	Price	Program	FY 1999	Price
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
Aircraft Operations	1,841.2	+8.9	+111.8	1,961.9	-14.3
Mission Support Ops	430.5	+10.9	-101.7	339.8	+11.7
Depot Maintenance	401.4	+6.7	+20.6	428.7	-24.9
Base Support	300.8	+4.0	-12.4	292.4	+6.3
Real Property Maintenance	97.0	+1.1	-11.9	86.2	+1.3
Total	3,071.0	+31.6	+6.4	3,109.0	-19.9
					-1.8
					<u>38.1</u>
					3,087.3

<u>Program Data</u>	FY 1998	Program	FY 1999	Program	FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>

Primary Aircraft Authorized (PAA)  
 Total Aircraft Inventory (TAI)  
 Flying Hours (000)  
 Tactical Fighter Wing Equivalents

	1,184	-14	1,170	-	1,170
	1,351	-9	1,342	-17	1,325
	364	-6	358	+11	369
	6.00	+2	6.2	+4	6.6

Crew Ratio (Average)

Bombers	1.50	-	1.50	-	1.50
Fighters	1.25	-	1.25	-	1.25
Tankers	1.27	-	1.27	-	1.27
Strategic Airlift	2.00	-	2.00	-	2.00
Tactical Airlift	1.75	-	1.75	-	1.75

## AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998</u> <u>Actual</u>	<u>Program</u> <u>Change</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>
<b>OPTEMPO (Hrs/Crew/Month)</b>					
Bombers	19.7	-	19.7	-	19.7
Fighters	11.6	-	11.6	-	11.6
Tankers	13.6	-	13.6	-	13.6
Strategic Airlift	11.8	-	11.8	-	11.8
Tactical Airlift	16.7	-	16.7	-	16.7

Air National Guard air operations reflect a reduction of \$21.7 million between FY 1999 and FY 2000. The changes include negative price growth of \$19.9 million, functional transfers of \$-63.7 million, and program growth of \$61.9 million. Detailed changes for the subactivity groups follows:

**Aircraft Operations:** This activity includes program growth of \$29.8 million in FY 2000 as a result of fully funding depot level repairables, converting 2 F 16A/B air defense units to F-16C/D general purpose units, and an increase in flying hours for continuation and upgrade training for instructors who train pilots of 11 allied countries under Foreign Military Sales Agreements. The increases are partially offset by decreases resulting from a reduction of 2 B-1s in the inventory and a one-time FY 1999 congressional add.

**Mission Support Operations:** This activity includes program growth of \$6.0 million between FY 1999 and FY 2000. The increase supports 11 C-26 aircraft designated for counterdrug operations and an increase for depot level repairables to sustain the upgraded Modular Control System and the AN/TPS-75 radar. The increases are partially offset by annualization of the reduction of two tactical air control units in FY 1999, the downsizing of civil engineering units, and the realignment of funds for the Weapons of Mass Destruction Domestic Preparedness and Response to the Army.

**Depot Maintenance:** The FY 2000 request includes program growth of \$11.4 million as the result of continued bulkhead replacement on the F-16, transition of the C-130 from three level maintenance to two level maintenance, and an increase in repair work on the C-141. These increases are partially offset by reductions due to the partial completion of the corrosion repair and rewiring on the KC-135 aircraft and reduction in Periodic Depot Maintenance for the C-5 and F-15 aircraft.

**Base Support:** Base support activities include program increases of \$0.4 million in FY 2000. Program increases include the transfer of funds from Air Force procurement programs to lease rather than purchase vehicles and implementation of air emission inventories.

## AIR OPERATIONS

Program decreases include a reduction in civilian personnel to support actual execution and anticipated savings from competitive sourcing.

**Real Property Maintenance:** The FY 2000 program declines by \$49.4 million as a result of one-time FY 1999 costs for storm damage from Hurricane George and transfer of funds to the Quality of Life Enhancements, Defense appropriation.

## **US SPECIAL OPERATIONS COMMAND**

The funds requested for USSOCOM are required to support the manpower authorizations, Special Operations Forces (SOF) unique support equipment, flying hours, aircraft, necessary facilities, and the associated costs specifically identified and measurable to initial qualification and training of aircrews for SOF aviation operations and tactics.

	(\$ in Millions)			
	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>USSOCOM</u>				
SOF Operations	421.0	+0.5	+1.5	423.0
			+8.2	429.4
			<u>Price</u>	<u>FY 2000</u>
			<u>Change</u>	<u>Estimate</u>

<u>Program Data</u>	<u>FY 1998 Actual</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Program Change</u>	<u>FY 2000 Estimate</u>
<b>Primary Aircraft Authorized (PAA)</b>					
AFSOC*	129	-	129	-8	121
USASOC**	127	-	127	-	127
<b>Total Aircraft Inventory (TAI)</b>					
AFSOC*	151	-	151	-9	142
USASOC**	127	-	127	-	127
<b>Flying Hours (000)</b>					
AFSOC*	56	+1	57	-2	55
USASOC**	32	-	32	-	32
<b>Crew Ratio (Average)</b>					
AFSOC*	1.6	-	1.6	-	1.6
USASOC**	1.2	-	1.2	-	1.2
<b>AIR OPERATIONS</b>					

## AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998 Actual</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Program Change</u>	<u>FY 2000 Estimate</u>
OPTEMPO (Hrs/Crew/Month)					
AFSOC*	21.8	+0.8	22.6	+0.9	23.5
USASOC**	17.0	-	17.0	-	17.0
Primary Mission Readiness (PMR) (%)	75	-	75	-	75

\* Air Force Special Operations Command (AFSOC)

\*\*\* U.S. Army Special Operations Command (USASOC)

The FY 2000 budget request includes a net price decline of \$1.8 million and program growth of \$8.2 million. The FY 2000 program increase includes communication and navigation upgrades to the MH-60L and the MH-47D as well as transition from Interim Contractor Support to Contractor Logistics Support (CLS) for the APQ Terrain Following/Terrain Avoidance Radar. In addition, increases include Contractor Engineering and Technical Support (CETS) requirements for the ASQ-145, APQ-122, and MC-130E/H avionics integration and CLS for the Planning and Rehearsal Information and Support (PARIS) Data Base Generation System at Ft. Campbell. These increases are partially offset by a reduction of 1,090 MP-130P flying hours as a result of the drawdown of four Primary Authorized Aircraft (PAA).

## **DEFENSE HEALTH PROGRAM**

Funding supports 8 UH-1 aircraft at Fort Rucker (Lyster Army Hospital) that provide aeromedical evacuation support to the Army Aviation Center and the Army Aviation & Analysis Laboratory; and 18 C-9A aircraft which provide the intra-theater, patient airlift in the western Pacific, Europe, Middle East, and the continental United States and the inter-theater patient airlift between the western Pacific, Hawaii and the continental United States. Also included are the associated mission support personnel, three Aeromedical squadrons, and the international aeromedical evacuation (strategic airlift) account. Costs include fuel, supplies, depot level repairs, contract maintenance and all other related expenses associated with the aeromedical evacuation system.

	(\$ in Millions)						
	FY 1998	Price Change	Program Change	FY 1999	Price Change	Program Change	FY 2000
	<u>Actual</u>			<u>Estimate</u>			<u>Estimate</u>
Defense Health Program	84.7	+2.3	-5.0	82.0	+2.3	-5.6	78.7



# AIR OPERATIONS

<u>Program Data</u>	<u>FY 1998</u> <u>Actual</u>	<u>Program</u> <u>Change</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Program</u> <u>Change</u>	<u>FY 2000</u> <u>Estimate</u>
Primary Auth Acft (PAA)	26	+2	28	-2	26
Flying Hours (000)	22	-1	21	-	21
Crew Ratio (Average)	2.00	-	2.00	-	2.00

The FY 2000 budget request includes price growth of \$2.3 million and a net program reduction of \$5.6 million. The majority of the FY 2000 program reduction and the reduction in PAA are the result of completion of an experiment using C-12 aircraft in FY 1999 for trips longer than 2.5 hours round trip.

## BASE OPERATIONS SUPPORT

	FY 1998 Actual	(\$ in Millions)				FY 2000 Estimate
		Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change
Army	4,269.0	+28.0	+93.0	4,390.0	+180.0	+321.0
Navy	2,803.4	+1.9	-235.6	2,569.7	+67.3	+49.9
Marine Corps	826.1	+8.2	+25.5	859.8	+17.0	-29.5
Air Force	3,130.5	+58.2	-371.8	2,816.9	+74.6	+503.6
Defense-Wide	32.6	+0.1	-1.6	31.1	+1.3	-0.4
Army Reserve	302.8	+5.4	+3.4	304.8	+5.9	+3.6
Navy Reserve	158.2	+4.0	+0.1	162.3	+3.4	-10.0
Marine Corps Reserve	26.3	+0.3	-2.7	23.9	+0.3	-2.0
Air Force Reserve	109.4	+3.4	+3.5	116.3	+4.4	-7.0
Army National Guard	346.4	+3.8	+46.1	396.3	+5.9	+65.8
Air National Guard	249.4	+3.5	-4.4	248.5	+5.6	-0.4
Defense Health Program	581.5	+7.2	+27.9	616.6	+12.3	-33.7
<b>Total</b>	<b>12,835.6</b>	<b>+124.0</b>	<b>-423.4</b>	<b>12,536.2</b>	<b>+378.0</b>	<b>+860.9</b>
						<b>13,775.1</b>

Base operations support (BOS) provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, and enhance work force productivity and primarily provide personnel and infrastructure support. Personnel support includes food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; and morale, welfare, and recreation services to military members and their families. Infrastructure support includes utility systems operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and transportation motor pool operations. The FY 2000 budget request of \$13,775.1 million includes price changes of \$378.0 million and net program growth of \$860.9 million (6.7 percent) above the FY 1999 funding level. This increase supports a net increase of two installations and 212 additional civilian full-time equivalents. Specific changes are addressed in the following sections for each Active Component.

## BASE OPERATIONS SUPPORT

### Program Data

**Installations Summary:** The overall total number of active forces installations in the United States and overseas increases by two from FY 1999 to FY 2000. Major changes are attributed to the Department's implementation of the Panama Canal Treaty and the turnover of the remaining bases in the Republic of Panama. Specific changes will occur in FY 2000 within the Military Services as Navy bases and installations are closed consistent with Base Realignment and Closure (BRAC) Commission decisions; Navy bases are reclassified as active operation and maintenance supported installations (vice Navy Working Capital Fund (NWCFF)); and Army installations are transferred from research and development base support funding to operation and maintenance funding.

Number of Installations	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<u>Active Forces</u>					
CONUS	218	-5	213	+7	220
Overseas	130	-	130	-5	125
Total	348	-5	343	+2	345

### Disposition of Active Forces Installations

#### CONUS

Bases Closed - Navy

<u>FY 1999-2000 Change</u>
<u>-3</u>
Naval Air Station Cecil Field, FL
Naval Training Center Orlando, FL
Naval Air Warfare Center Trenton, NJ

Bases Transferred - Army  
(from RDT&E to O&M)

<u>+7</u>
Picatinny Arsenal, NJ
White Sands Missile Range, NM
Yuma Proving Grounds, AZ
Aberdeen Proving Grounds, MD

## BASE OPERATIONS SUPPORT

## BASE OPERATIONS SUPPORT

### Disposition of Active Forces Installations (cont'd)

FY 1999-2000 Change

#### CONUS

Bases Transferred - Army (cont'd)  
(from RDT&E to O&M)

Army Research Lab, Washington DC  
Dugway Proving Grounds, UT  
Soldier System Command, MA

Bases Transferred - Navy  
(from NWCF to O&M)

+3  
Naval Shipyard Portsmouth, NH  
Naval Shipyard Puget Sound, WA  
Naval Shipyard Norfolk, VA

#### OVERSEAS

Bases Closed - Navy

-2  
Naval Air Station Barbers Point, HI  
Naval Station Rodman, Panama

Bases Closed - Air Force

-1  
Howard Air Force Base, Panama

Bases Closed - Army

-3  
Pacific East Bank, Panama  
Ft Kobbe, Panama  
Ft Sherman, Panama

Bases Transferred - Navy  
(from NWCF to O&M)

+1  
Naval Shipyard Pearl Harbor, HI

**Personnel Summary:** Military and civilian personnel assigned to base support activities continue to decline. These decreases are commensurate with base closures and realignments, infrastructure reductions, and privatization and outsourcing initiatives. The major change in personnel from FY 1999 to FY 2000 reflects the Air Force transition to an Expeditionary Air Force (EAF) and the realignment of military personnel positions from the base operations account to the combat support program elements.

# BASE OPERATIONS SUPPORT

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
Personnel				
Military (End Strength)	115,186	-1,558	113,628	86,600
Civilian (Full-Time Equivalents)	107,159	-10,789	96,370	96,582

## Army

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
Active				
Funding (\$ in Millions)	4,269.0	+121.0	4,390.0	4,891.0
Installations				
CONUS	53	-3	50	57
Overseas	90	-	90	87
Personnel				
Military (End Strength)	13,353	-2,348	11,005	10,291
Civilian (Full-Time Equivalents)	39,293	-5,531	33,762	35,510

The FY 2000 budget request increases \$501.0 million from the FY 1999 funding level. This net increase includes a foreign currency rate increase of \$58.0 million, price growth of \$122.0 million, a net increase of \$322.2 million in functional realignments, program increases of \$173.9 million, and program reductions of \$175.1 million. Major functional realignments include an increase of \$358.1 million to support seven major lab and test facilities transferred from Research, Development, Test and Evaluation, Army appropriation and a reduction of \$50.6 million for long haul communication resources that have been realigned from base operations accounts to Army mission accounts to improve cost control and accountability by placing the funding with the users. Major program increases include payments to the Pentagon Reservation Maintenance Revolving Fund (\$95.2 million); critical quality-of-life sustainment actions necessary to provide adequate and essential installation support and curb migration (\$51.0 million); enhanced recruiting support to establish 120 naval recruiting stations and eliminate overcrowding at current facilities (\$11.0 million); and outfitting of renovated and newly constructed barracks (\$5.8 million). Program decreases are primarily associated with projected

## BASE OPERATIONS SUPPORT

savings for outsourcing and privatization (\$85.1 million); final implementation of the Panama Canal Treaty (\$63.3 million); relocation of Military Entrance Processing Centers from leased space to Army installations (\$6.7 million); and anticipated savings realized through utility system upgrades (\$7.2 million).

	<u>Navy</u>			
	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Active</u>	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
<u>Funding (\$ in Millions)</u>				
Installations	2,803.4	-233.7	2,569.7	2,686.9
CONUS	73	-3	70	70
Overseas	24	-	24	23
<u>Personnel</u>				
Military (End Strength)	25,393	-4,176	21,217	20,056
Civilian (Full-Time Equivalents)	22,935	-2,884	20,051	20,023

The FY 2000 budget request reflects a net increase of \$117.2 million from the FY 1999 funding level. This net increase includes a foreign currency rate increase of \$7.2 million, price growth of \$60.1 million, and program changes of \$49.9 million. Major program changes include the realignment of funding for common support services for shipyards transferred from the Navy Working Capital Fund (\$+119.0 million); the transfer of funding for repair and maintenance of underground utility systems to real property maintenance (\$-12.0 million); reduced operating costs associated with base closures (\$-30.0 million); projected savings for regionalization (\$-70.0 million); implementation costs for utilities privatization (\$+20.6 million); furnishings for newly renovated quarters (\$+7.5 million); purchase of collateral equipment for new construction projects such as radar control facility, training facility, and barracks (\$+7.5 million); increased force protection at Naval Air Station Sigonella, Italy; and increased host base support at Naval Station Roosevelt Roads, Puerto Rico (\$+2.9 million).

# BASE OPERATIONS SUPPORT

## Marine Corps

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
<u>Active</u>				
<u>Funding (\$ in Millions)</u>	826.1	+33.7	859.8	847.3
<u>Installations</u>				
CONUS	21	-2	19	19
Overseas	3	-	3	3
<u>Personnel</u>				
Military (End Strength)	14,571	+18	14,589	14,589
Civilian (Full-Time Equivalent)	8,104	+261	8,365	8,127

The FY 2000 budget request reflects a net decrease of \$12.5 million from the FY 1999 funding level. This net decrease includes an increase of \$3.0 million for foreign currency rate adjustments, \$14.0 million for price growth, \$42.9 million for program increases, and \$72.4 million for program reductions. Major program increases include collateral equipment associated with military construction projects for dining facilities, bachelor enlisted quarters, and child development centers (\$8.6 million); information assurance initiatives such as firewalls, detection software, and information protection systems (\$7.3 million); energy management projects (\$5.2 million); garrison mobile equipment contract (\$3.8 million); utility systems privatization studies (\$3.3 million); quality-of-life personnel support equipment (\$3.2 million); caretaker costs associated with the FY 1999 closure of Marine Corps Air Stations in El Toro, CA and Tustin, CA; and firefighter compensation (\$1.3 million). Major program reductions include completion of major environmentally-driven infrastructure projects for waste water treatment plants and storm water pollution control systems (\$22.6 million); decrease associated with the FY 1999 reprogramming from the Military Personnel appropriation for personnel support equipment (\$20.0 million); termination of dual basing for El Toro and Tustin (\$15.6 million); expected operational efficiencies from competitive outsourcing (\$7.7 million); and Quadrennial Defense Review (QDR) civilian personnel reductions of 238 (\$3.0 million).

# BASE OPERATIONS SUPPORT

## Air Force

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Active</u>	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
Funding (\$ in Millions)	3,130.5	-313.6	2,816.9	3,395.1
Installations				
CONUS	64	+3	67	67
Overseas	13	-	13	12
Personnel				
Military (End Strength)	54,080	5,176	59,256	34,189
Civilian (Full-Time Equivalents)	27,940	-2,162	25,778	25,549

The FY 2000 budget request reflects a net increase of \$578.2 million from the FY 1999 funding level. This increase includes an increase of \$2.0 million for foreign currency rate adjustments, \$72.6 million for price growth, \$225.7 million for functional transfers, and \$277.9 million for program increases. Transfers into the base operations account include \$144.1 million for competition and privatization from the Military Personnel appropriation; \$51.3 million for grounds maintenance from the real property maintenance account; \$18.9 million for the Johnston Atoll host-management responsibility from the Defense Threat Reduction Agency; \$9.0 million for leased vehicles from the Other Procurement appropriation; and \$2.4 million for the Financial Services Officer function from the Military Personnel appropriation. Major program increases include critical base support requirements associated with mobility/deployment requirements, bench stock, vehicle operations and maintenance, transportation, and messing service contracts (\$173.8 million); Pentagon Reservation Maintenance Revolving Fund (\$57.1 million); additional facility support such as fire protection, utilities, municipal services and dormitory furnishings (\$20.0 million); implementation of the Panama Canal Treaty requirements for facility closure and unit relocations (\$16.0 million); and increased force protection and functional consolidation at Aviano Air Base, Italy (\$11.0 million). The reduction of 25,067 military personnel end strength reflects the transfer from the base operations account to primary mission areas as part of the ongoing transition to an Expeditionary Air Force (EAF) structure, as well as a shift in support personnel positions to more accurately depict the balance between the "tooth" and "tail" of the Air Force.



# COMMISSARY SUPPORT

(\$ in Millions)

Components	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change	FY 2000 Estimate
DeCA	938.6			1,045.8			-
Army	-			-			346.1
Navy	-			-			263.1
Marine Corps	-			-			90.8
Air Force	-			-			309.1
Total	938.6	+39.4	+69.5	1,045.8*	+27.2	-63.9	1,009.1

\* An additional \$3.4 million, inadvertently excluded from amounts cited for transfer in Section 8113 of P.L. 105-262, will be included in the Omnibus reprogramming request for transfer to the Defense Commissary Agency using general transfer authority.

Number of Commissary Stores in Operation at End of Year	299	295	292
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Appropriated fund resources finance direct, indirect, and General & Administrative costs of the Commissary system. Specific costs include personnel salaries, overseas transportation of goods, rewarehousing, shelf stocking, janitorial services, and management support. In FY 1999, \$63.7 million was appropriated to the Defense Commissary Agency (DeCA) as a cash corpus to facilitate its operation as a separate Defense Working Capital Fund activity.

The FY 2000 budget proposes to conduct commissary operations on a reimbursable basis consistent with other Defense Working Capital Funds. Therefore, funds are requested in the Military Services' operation and maintenance budgets for reimbursement to the Defense Commissary Agency. This approach retains the central day-to-day operation of the commissary organization by Headquarters DeCA but provides the customers (the Services) with resource responsibility for the operation of the organization.

The decline in FY 2000 results from the one-time cost for the FY 1999 requirement to establish cash corpus within DeCA and as a result of fewer commissaries to operate.

# COMMAND, CONTROL, AND COMMUNICATIONS (C<sup>3</sup>)

	(\$ in Millions)					
	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change
Army	512.9	+14.5	-79.1	448.3	+24.2	+25.8
Navy	414.0	+5.5	-10.5	409.0	+6.5	+84.4
Marine Corps	40.2	+0.4	-3.0	37.6	+0.6	-0.8
Air Force	1,475.7	+9.3	-62.9	1,422.1	+62.3	+128.6
Defense-Wide	556.1	+11.2	-1.4	565.9	+16.3	+98.2
Army Reserve	63.9	+1.4	-16.8	48.5	+1.2	+22.6
Navy Reserve	8.9	+0.1	+0.7	9.7	+0.2	-0.5
Marine Corps Reserve	1.8	-	+0.5	2.3	-	-0.4
Air Force Reserve	39.2	+0.7	-5.2	34.7	+1.0	+17.7
Army National Guard	63.9	+5.6	-4.6	65.0	+12.0	-10.6
Air National Guard	15.3	+0.1	+0.8	16.2	+0.2	-
Defense Health Program	43.2	+0.5	+4.7	48.4	+1.0	-0.8
Court of Military Appeals	0.1	-	-	0.1	-	-
Total	3,235.3	+49.3	-176.7	3,107.8	+125.5	+364.2
						0.1
						3,597.5

Command, control and communications (C<sup>3</sup>) resources provide seamless base-level and worldwide communication networks for voice, data, and imagery traffic of sufficient quality, reliability, and flexibility to ensure responsive support to U.S. forces. This information infrastructure contains communications networks, computers, software, databases, applications, data, security services, and other capabilities that meet the information processing and transport needs of DoD users. The C<sup>3</sup> program specifically funds telecommunications systems, leased circuits, and other services necessary for information transfer, messaging operations, and equipment associated with sending and receiving communications transmissions. Additionally, this program funds efforts to integrate command and control systems with communications in order to support the information needs of field commanders. The FY 2000 budget request of \$3,597.5 million includes price changes of \$125.5 million and net program growth of \$364.2 million (11.3 percent) above the FY 1999 funding level. A significant portion of this increase reflects support for expansion and modernization of the Defense Information Systems Network (DISN), the Department's consolidated worldwide enterprise-level telecommunications infrastructure that provides the end-to-end information transfer network for supporting military operations. Specific changes are addressed in the following sections for each C<sup>3</sup> major category.

# COMMAND, CONTROL, AND COMMUNICATIONS (C<sup>3</sup>)

	<u>Program Data</u> <u>(\$ in Millions)</u>			
	FY 1998		FY 1999	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
<u>Communications</u>				
Sustaining Base Communications	2,052.7	-125.3	1,927.3	+387.4
Long-haul Communications	1,049.6	-74.6	975.0	+76.6
Deployable and Mobile Communications	767.7	-37.2	730.5	+243.3
	235.4	-13.5	221.8	+67.5
<u>Command and Control</u>				
National	834.6	-31.0	803.6	+31.5
Operational	568.3	-56.9	511.4	+7.3
Tactical	227.5	+26.8	254.3	+22.4
	38.8	-0.9	37.9	+1.8
<u>C3-Related</u>				
Navigation	347.9	+29.0	376.9	+70.8
Meteorology	121.7	-4.2	117.5	+19.1
Combat Identification	50.0	+2.7	52.7	-1.6
Information Assurance Activities	2.4	+1.0	3.4	+0.4
	173.8	+29.5	203.3	+52.9
<u>Total</u>	3,235.3	-127.3	3,107.8	+489.7
				3,597.5

**Communications:** Communications are an integral element of C<sup>3</sup> and include sustaining base, long-haul, and deployable and mobile forms of communications assets. Resources for sustaining base communications are almost exclusively fixed plant and installation support and provide the "backbone" and other communications infrastructure for CONUS and overseas locations. Funding for long-haul communications includes primarily voice and data services for all off-post connectivity, worldwide web, and other connectivity which are largely comprised of the DISN costs. The DISN is a combination of DoD-owned and leased telecommunications networks and subsystems comprised of equipment, services, personnel, and facilities under the management control and operational direction of the Defense Information Systems Agency (DISA). Resources for deployable and mobile communications include funding for systems and capabilities to extend communications into an area of operations, which are primarily provided through satellite systems and other

## COMMAND, CONTROL, AND COMMUNICATIONS (C<sup>3</sup>)

wireless transmission means and constitute moveable or transportable communications. The FY 2000 budget request reflects a total increase of \$387.4 million above the FY 1999 funding level, which includes price increases of \$99.3 million and net program increases of \$288.1 million (14.9 percent). While communications operating costs have begun to decrease as a result of significant procurement investments in digital networking equipment and modern switches, demand for information services and products continue to grow to meet operational requirements. Major program increases include an Army increase of \$20.0 million to support DISN expansion for additional users; a Navy increase of \$80.8 million which includes \$23.8 million for an alternate type circuit for an acoustic system, transition hub operations, and mail list management centers and \$57.0 million for implementation of the Satellite Communications Information Technology (IT21) programs; an Air Force increase totaling \$105.0 million for competition and privatization initiatives (\$40.0 million), implementation of robust common user Internet Protocol (IP) router networks (\$37.0 million), and payment of Federal Universal Service Fund surcharges to help industry provide networking services to rural communities and schools (\$28.0 million); a DISA increase of \$50.9 million for expanded DISN for information services and engineering support (\$22.7 million), deployment of MILSTAR Voice Conferencing (\$12.6 million), payment of Universal Services fee (\$11.0 million), and expansion in development and deployment of Global Broadcast Services connectivity (\$4.6 million); an Air Force Reserve increase of \$17.7 million to fund the Air Force Network Control Center and Theater Battle Management communications systems; and a Special Operations Command (SOCOM) increase of \$12.8 million for special operations forces (SOF) unique communications systems. These increases are partially offset by program reductions in DISA for reduced support for the Bosnia Command and Control Augmentation (\$16.9 million).

**Command and Control:** This category represents the facilities, systems, and manpower essential to a commander for planning, directing, coordinating, and controlling operations of assigned forces. These command and control capabilities cover the National Command Authority, through the joint operational and theater level echelon, and down to the front-line tactical elements. Additionally, this category includes funding for the Defense portion of the National Airspace System and other air traffic control activities. The FY 2000 budget request reflects a total increase of \$31.5 million from the FY 1999 funding level which includes price increases of \$8.1 million and net program increases of \$23.4 million (2.9 percent). Major program increases include \$1.8 million for Navy to increase Multifunction Information Distribution System support; \$8.0 million for the Air Force to support worldwide expansion of Global Command and Control System for the Air Expeditionary Forces, restoration of Joint Surveillance System baseline, and implementation of the National Military Command Center Situational Assessment and Mapping System; and \$9.0 million for DISA to support the Command, Control, Communications, Computers, and Intelligence for the Warrior (C4I<sup>2</sup>WTW).

**C3-Related:** This category includes various programs and functions related to and supportive of communications, command, and control requirements and includes both communications security and computer security. Included are communication resources to support navigation capabilities that provide distance, course, and position information to users; meteorology capabilities that collect, evaluate, or disseminate weather and atmospheric information; combat identification capabilities that provide positive identification of friendly forces to prevent fratricide; and information assurance capabilities that provide measures and controls to protect an information

## COMMAND, CONTROL, AND COMMUNICATIONS (C<sup>3</sup>)

system against denial of service and unauthorized (accidental or intentional) disclosure, modification, or destruction of the information system or data. The FY 2000 budget request reflects a total increase of \$70.8 million above the FY 1999 funding level, which includes price increases of \$18.1 million and net program increases of \$52.6 million (14.0 percent). Major program increases include \$5.8 million for the Army to support increased protection of its strategic and tactical warfighting networks, management of major command installation security systems protection program, and implementation of the Intrusion Detection program; \$12.0 million for Air Force modernization of 11 new regional communications hubs to include installation of the new Voice Communications Switching System, operation of the Military Airspace Management System, and implementation of new Air Force Terminal Instrument Procedures software; and \$32.1 million for DISA to continue to upgrade the Defense Messaging System security architecture, update information warfare modules for Global Command and Control System training, and complete fielding of Intrusion and Misuse Deterrence Systems at Defense Message Centers.

## CONTINGENCY OPERATIONS

(\$ in Millions)

	<u>FY 1998 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2000 Estimate</u>
<u>By Appropriation</u>							
Operation & Maintenance	3,144.1	+18.0	-863.5	2,298.6	+3.4	+85.6	2,387.6
Military Personnel	458.6	+3.8	-17.7	444.7	+7.0	+24.5	476.2
Appropriated	3,602.7*	+21.8	-881.2	2,743.3	+10.4	+110.1	2863.8
Est. Unfunded Requirements	-	-	+32.0	+32.0	-	-32.0	-
<b>Total</b>	<b>3,602.7</b>	<b>+21.8</b>	<b>-849.2</b>	<b>2,775.3</b>	<b>+10.4</b>	<b>+78.1</b>	<b>2,863.8</b>

\* The FY 1998 actual total differs from the FY 1998 initial appropriated funds of \$3,965.5 million due to a carryover to FY 1999 of a \$342.5 million balance in the Overseas Contingency Operations Transfer Fund (OCOTF) and approximately \$20 million which lapsed within the Military Personnel, Army appropriation.

	<u>FY 1998 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2000 Estimate</u>
<u>By Component</u>							
Army	1,945.0	+18.7	-452.4	1,511.3	+19.4	+54.5	1,585.2
Navy	368.6	-7	-150.1	217.8	-6.9	+24.1	235.0
Navy Reserve	15.3	+2	-10.1	5.4	+1	+7	6.2
Marine Corps	12.7	+1	-7.1	5.7	+1	+1	5.9
Air Force	1,092.8	+1.6	-177.1	917.3	-4.1	+9.5	922.7
Defense-Wide	151.6	+1.7	-52.9	100.4	+1.5	-11.1	90.8
Defense Health Program (DHP)	16.7	+2	+5	17.4	+3	+3	18.0
<b>Total</b>	<b>3,602.7</b>	<b>+21.8</b>	<b>-849.2</b>	<b>2,775.3</b>	<b>+10.4</b>	<b>+78.1</b>	<b>2,863.8</b>

# CONTINGENCY OPERATIONS

FY 1998 Actuals  
(\$ in Millions)

By Operation	Army	Navy	Navy Reserve	Marine Corps	Air Force	Defense-Wide	Def. Health Program	Total
<b>Bosnia</b>								
Deliberate Guard	-	48.1	-	.3	110.2	.8	-	159.4
O&M	-	46.9	-	.2	108.7	.8	-	156.6
Military Personnel	-	1.2	-	.1	1.5	-	-	2.8
Able Sentry	10.5	-	-	-	-	-	-	10.5
O&M	4.9	-	-	-	-	-	-	4.9
Military Personnel	5.6	-	-	-	-	-	-	5.6
Joint Guard	1,522.0	26.2	9.9	4.8	107.7	110.2	12.0	1,792.8
O&M	1,257.9	17.0	7.3	1.8	77.1	110.2	12.0	1,483.3
Military Personnel	264.1	9.2	2.6	3.0	30.6	-	-	309.5
<b>Bosnia Total</b>	<b>1,532.5</b>	<b>74.3</b>	<b>9.9</b>	<b>5.1</b>	<b>217.9</b>	<b>111.0</b>	<b>12.0</b>	<b>1,962.7</b>
O&M	1,262.8	63.9	7.3	2.0	185.8	111.0	12.0	1,644.8
Military Personnel	269.7	10.4	2.6	3.1	32.1	-	-	317.9

## Southwest Asia/Other

Northern Watch	2.2	8.1	-	.1	124.7	.5	.4	136.0
O&M	2.0	7.7	-	.1	108.7	.5	.4	119.4
Military Personnel	.2	.4	-	-	16.0	-	-	16.6
<b>Southern Watch</b>	<b>404.7</b>	<b>285.0</b>	<b>5.4</b>	<b>7.5</b>	<b>750.2</b>	<b>40.1</b>	<b>4.3</b>	<b>1,497.2</b>
O&M	376.3	242.4	5.1	3.8	704.2	40.1	4.3	1,376.2
Military Personnel	28.4	42.6	.3	3.7	46.0	-	-	121.0
<b>Intrinsic Action</b>	<b>5.6</b>	-	-	-	-	-	-	<b>5.6</b>
O&M	2.5	-	-	-	-	-	-	2.5
Military Personnel	3.1	-	-	-	-	-	-	3.1
<b>Resolute Response</b>	-	1.2	-	-	-	-	-	<b>1.2</b>
O&M	-	1.2	-	-	-	-	-	1.2
Military Personnel	-	-	-	-	-	-	-	-

# CONTINGENCY OPERATIONS

## FY 1998 Actuals (\$ in Millions)

By Operation	Army	Navy	Marine Corps	Air Force	Defense-Wide	Def. Health Program	Total
Southwest Asia/Other Total	412.5	294.3	7.6	874.9	40.6	4.7	1,640.0
O&M	380.8	251.3	3.9	812.9	40.6	4.7	1,499.3
Military Personnel	31.7	43.0	3.7	62.0	-	-	140.7
Grand Total	1,945.0	368.6	12.7	1,092.8	151.6	16.7	3,602.7
O&M Total	1,643.6	315.2	5.9	998.7	151.6	16.7	3,144.1
Military Personnel Total	301.4	53.4	6.8	94.1	-	-	458.6

## FY 1999 Estimate (\$ in Millions)

By Operation	Army	Navy	Marine Corps	Air Force	Defense-Wide	Def. Health Program	Total
Bosnia							
Deliberate Forge	-	53.6	.3	106.6	.8	-	161.3
O&M	-	52.4	.3	105.1	.8	-	158.6
Military Personnel	-	1.2	-	1.5	-	-	2.7
Able Sentry	10.5	-	-	-	-	-	10.5
O&M	4.9	-	-	-	-	-	4.9
Military Personnel	5.6	-	-	-	-	-	5.6
Joint Forge	1,333.6	27.7	4.6	117.5	90.7	12.7	1,589.1
O&M	1,041.5	19.2	1.9	86.0	90.7	12.7	1,252.1
Military Personnel	292.1	8.5	2.7	31.5	-	-	337.0
Bosnia Total	1,344.1	81.3	4.9	224.1	91.5	12.7	1,760.9
O&M	1,046.4	71.6	2.2	191.1	91.5	12.7	1,415.6
Military Personnel	297.7	9.7	2.7	33.0	-	-	345.3

# CONTINGENCY OPERATIONS



# CONTINGENCY OPERATIONS

FY 1999 Estimate  
(\$ in Millions)

By Operation	Army	Navy	Navy Reserve	Marine Corps	Air Force	Defense-Wide	Def. Health Program	Total
<b>Southwest Asia</b>								
Northern Watch	2.2	6.9	-	.4	125.8	4.1	.3	139.7
O&M	2.0	6.5	-	.1	109.3	4.1	.3	122.3
Military Personnel	.2	.4	-	.3	16.5	-	-	17.4
<b>Southern Watch</b>	159.4	129.6	3.1	.4	501.3	4.8	4.4	803.0
O&M	139.9	100.1	.2	.4	454.9	4.8	4.4	704.7
Military Personnel	19.5	29.5	2.9	-	46.4	-	-	98.3
<b>Air Expeditionary Force</b>	-	-	-	-	66.1	-	-	66.1
O&M	-	-	-	-	65.1	-	-	65.1
Military Personnel	-	-	-	-	1.0	-	-	1.0
<b>Intrinsic Action</b>	5.6	-	-	-	-	-	-	5.6
O&M	2.5	-	-	-	-	-	-	2.5
Military Personnel	3.1	-	-	-	-	-	-	3.1
<b>Southwest Asia Total</b>	167.2	136.5	3.1	.8	693.2	8.9	4.7	1,014.4
O&M	144.4	106.6	.2	.5	629.3	8.9	4.7	894.6
Military Personnel	22.8	29.9	2.9	.3	63.9	-	-	119.8
<b>Grand Total</b>	1,511.3	217.8	5.4	5.7	917.3	100.4	17.4	2,775.3
O&M Total	1,190.8	178.2	.3	2.7	820.4	100.4	17.4	2,310.2
Military Personnel Total	320.5	39.6	5.1	3.0	96.9	-	-	465.1

# CONTINGENCY OPERATIONS

FY 2000 Estimate  
(\\$ in Millions)

By Operation	Army	Navy	Navy Reserve	Marine Corps	Air Force	Defense-Wide	Def. Health Program	Total
<b>Bosnia</b>								
Deliberate Forge	-	58.0	-	.2	101.5	.9	-	160.6
O&M	-	56.8	-	.2	99.9	.9	-	157.8
Military Personnel	-	1.2	-	-	1.6	-	-	2.8
Able Sentry	10.8	-	-	-	-	-	-	10.8
O&M	5.0	-	-	-	-	-	-	5.0
Military Personnel	5.8	-	-	-	-	-	-	5.8
Joint Forge	1,403.0	30.3	3.1	4.9	118.2	80.4	13.1	1,653.0
O&M	1,098.0	20.6	.2	2.0	85.6	80.4	13.1	1,299.9
Military Personnel	305.0	9.7	2.9	2.9	32.6	-	-	353.1
<b>Bosnia Total</b>	<b>1,413.8</b>	<b>88.3</b>	<b>3.1</b>	<b>5.1</b>	<b>219.7</b>	<b>81.3</b>	<b>13.1</b>	<b>1,824.4</b>
O&M	1,103.0	77.4	.2	2.2	185.5	81.3	13.1	1,462.7
Military Personnel	310.8	10.9	2.9	2.9	34.2	-	-	361.7
<b>Southwest Asia</b>								
Northern Watch	2.2	7.1	-	.4	130.8	4.1	.4	145.0
O&M	2.0	6.7	-	.1	113.7	4.1	.4	127.0
Military Personnel	.2	.4	-	.3	17.1	-	-	18.0
Southern Watch	163.3	139.6	3.1	.4	505.1	5.4	4.5	821.4
O&M	143.0	110.1	.2	.4	465.6	5.4	4.5	729.2
Military Personnel	20.3	29.5	2.9	-	39.5	-	-	92.2
Air Expeditionary Force	-	-	-	-	67.1	-	-	67.1
O&M	-	-	-	-	66.1	-	-	66.1
Military Personnel	-	-	-	-	1.0	-	-	1.0
Intrinsic Action	5.9	-	-	-	-	-	-	5.9
O&M	2.6	-	-	-	-	-	-	2.6
Military Personnel	3.3	-	-	-	-	-	-	3.3

# CONTINGENCY OPERATIONS

## CONTINGENCY OPERATIONS

### FY 2000 Estimate (\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Marine</u>	<u>Air</u>	<u>Defense- Wide</u>	<u>Def.-Health Program</u>	<u>Total</u>
<u>Southwest Asia</u>	<u>171.4</u>						<u>1,039.4</u>
<u>O&amp;M</u>	<u>147.6</u>	<u>3.1</u>	<u>.8</u>	<u>703.0</u>	<u>9.5</u>	<u>4.9</u>	<u>924.9</u>
<u>Military Personnel</u>	<u>23.8</u>	<u>.2</u>	<u>.5</u>	<u>645.4</u>	<u>9.5</u>	<u>4.9</u>	<u>114.5</u>
		<u>2.9</u>	<u>.3</u>	<u>57.6</u>	-	-	
 <u>Grand Total</u>	 <u>1,585.2</u>	 <u>6.2</u>	 <u>5.9</u>	 <u>922.7</u>	 <u>90.8</u>	 <u>18.0</u>	 <u>2,863.8</u>
<u>O&amp;M Total</u>	<u>1,250.6</u>	<u>.4</u>	<u>2.7</u>	<u>830.9</u>	<u>90.8</u>	<u>18.0</u>	<u>2,387.6</u>
<u>Military Personnel Total</u>	<u>334.6</u>	<u>5.8</u>	<u>3.2</u>	<u>91.8</u>	-	-	<u>476.2</u>

### Description of Operations

**Deliberate Guard/Deliberate Forge:** Formerly Operation Deny Flight. Maintains the no-fly zone over Bosnia-Herzegovina.

**Able Sentry:** Program supports the United Nations Preventive Deployment (UNPREDEP) observer mission in Macedonia. Funding for this operation may change depending on international events and possible U.S. operations in Kosovo.

**Joint Guard/Joint Forge:** Formerly Implementation Force (IFOR)/Stabilization Force (SFOR). This operation is the U.S. contribution to NATO-led multinational effort to deter the resumption of hostilities, to contribute to a secure environment, and to reestablish and maintain civil authority in Bosnia-Herzegovina. The Congress approved nonoffset emergency supplementals for both FY 1998 and FY 1999. The FY 1999 and FY 2000 funding levels assume a steady-state force level in Bosnia of 6,900 U.S. troops, based on the force structure in place at the end of FY 1998. After the submission of the President's budget request for FY 2000, a decision was made to reduce the U.S. troop strength from 6,900 to 6,200 based on an assessment of progress in Bosnia. This reduction will be completed by the end of FY 1999. Any cost savings in FY 2000 have not been determined as of the publication of this document. The amounts do not include any costs for operations in Kosovo.

**Northern Watch:** Program supports enforcement of the no-fly zone in northern Iraq. Prior to December 1996, the mission also included oversight of U.S. unilateral humanitarian efforts in Iraq.

## **CONTINGENCY OPERATIONS**

**Southern Watch:** Program supports forces deployed to the U.S. Central Command's Area-of-Responsibility (CENTCOM AOR) to counter potential aggression by Iraq and to continue enforcement of the no-fly zone in southern Iraq.

**Air Expeditionary Forces:** Periodic Air Force deployments to the CENTCOM AOR to maintain continuous air coverage during breaks in Navy aircraft carrier deployments.

**Intrinsic Action:** Supports the deployment of Army troops to Kuwait to conduct interoperability training with coalition forces and to reinforce the U.S. commitment to regional stability.

**Resolute Response:** DoD deployment in summer of 1998 to bolster security at U.S. embassies in Africa following terrorist bombings in Kenya and Tanzania.

## DEPOT MAINTENANCE

	(\$ in Millions)						
	FY1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change	FY 2000 Estimate
Army	729.4	+54.7	-178.3	605.8	+23.6	+16.3	645.7
Navy	3,345.5	-91.6	+365.6	3,619.5	+119.9	+143.7	3,883.1
Marine Corps	139.5	+9.2	-49.3	99.4	+7.0	-9.7	96.7
Air Force	1,565.9	+153.1	+4.5	1,723.5	-67.1	-174.6	1,481.8
SOCOM	82.3	+1.1	+0.7	84.1	+1.9	+7.8	93.8
Subtotal Active/SOCOM	5,862.6	+126.5	+143.2	6,132.3	+85.3	-16.5	6,201.1
Army Reserve	40.8	+0.9	+5.5	47.2	+1.1	-15.1	33.2
Navy Reserve	132.4	+2.0	+70.6	205.0	+2.8	-1.9	205.3
Marine Corps Reserve	2.5	+0.2	+0.1	2.8	+0.2	+8.3	11.4
Air Force Reserve	221.5	-9.1	+86.1	298.5	-17.5	-15.6	265.4
Army National Guard	49.1	+6.2	+53.3	108.6	+6.4	+28.2	143.2
Air National Guard	401.4	+6.8	+20.4	428.7	-23.2	+9.3	415.2
Subtotal Reserve/Guard	847.7	+7.1	+236.0	1,090.8	-30.3	+13.2	1,073.7
Grand Total	6,710.3	+133.6	+379.2	7,223.1	+55.0	-3.2	7,274.8

Totals may not add due to rounding.

Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to better ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to reserve components. Depot Maintenance funding increases by \$51.8 million from FY 1999 to FY 2000. This increase is comprised of price growth of \$55.0 million offset by \$3.2 million of net program decreases (0.1 percent).

### Price Growth

Of the overall price increase, \$109.9 million is due to price increases for ship maintenance, \$7.1 million for vehicle maintenance, \$12.2 million for maintenance of missile and other equipment. These price increases are offset by aircraft maintenance price decreases of \$74.5 million primarily due to a decline in Air Force working capital fund rates.

## DEPOT MAINTENANCE

### Program Change

The program changes include: functional transfers out of \$7.9 million and net real program growth of \$4.7 million.

- Functional Transfers - The Marine Corps will transfer \$7.9 million of Depot Level Reparable funding and purchasing responsibility to the operating forces.
- Program Growth - In FY 1999, \$263.2 million was added for the purposes of overcoming mounting depot maintenance backlog problems -- the most significant of which was experienced in the aviation maintenance program. The Navy's aviation maintenance backlog has been brought within tolerance and the FY 2000 funding estimate will maintain the readiness achieved with the added FY 1999 funds. The Air Force's add will result in a lower backlog that would otherwise been achieved. When normalized for the impact of one time adds and funding transfers, there is \$267.8 million of program growth between FY 1999 and FY 2000. The ship depot maintenance program grows \$249.1 million due to an increased number of scheduled Navy ship overhauls and Restricted Availabilities/Technical Availabilities. The vehicle maintenance program grows by \$113.3 million due to implementation of the Abrams Integrated Management XXI program to rebuild the M1A1 tank to "like new" specifications. The ship and vehicle program growth is offset by a \$41.3 million decline in the missile and other maintenance categories, more than half of which is experienced by Army due to a significant reduction in the Patriot Missile program (\$-22.4 million). Another significant portion of the missile and other maintenance program decline occurs in Air Force exchangeables (\$-12.3 million) due to a one-time increase to cover unbudgeted operating losses outside the stabilized rate structure.

### Maintenance Backlog

Between FY 1999 and FY 2000 the financial backlog declines by \$157.6 million. Of the total decline in backlog, the "other" category (missiles, software, and ordnance maintenance) declines by \$211.0 million. This decline is predominately attributable to: the Army National Guard's re-estimation of electronic equipment requirements resulting in a reduced (\$-91.8 million) backlog; a reduction in the Navy's backlog of Tomahawk, Close In Weapon System (CWIS), and MK-45 maintenance (\$-41.4 million) due to additional prior year funding; Army's significant reduction in the Patriot Missile program (\$-36.7 million); and the Army Reserve's reduction in communication electronic and calibration equipment (\$-35.8 million) due in part to the cyclical nature of calibration equipment requirements. This \$211.0 million decline in "other" backlog is offset by a \$62.9 million growth in aircraft maintenance backlog. The Air Force experiences the predominance of the growth in aviation maintenance backlog (\$60.5 million). Navy's aviation maintenance backlog grows as well, but the program is funded to achieve the lowest level of engine backlog (253 units) than has been achieved for many years. The Navy has funded overall ship depot maintenance at 94 percent of requirements in FY 2000. Unfunded ship depot maintenance is not included in the financial backlog because the maintenance will be performed during the scheduled depot maintenance availability or will be accomplished through other means (e.g., by the ship's force, if the capability exists).

# DEPOT MAINTENANCE

The following table displays funded and financial backlog amounts for depot maintenance:

	(\$ in Millions)									
	1998		Change in		FY 1999		Change in		FY 2000	
	Funded	Unfunded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	
	Rqmt	Rqmt	Rqmt	Rqmt	Rqmt	Rqmt	Rqmt	Rqmt	Rqmt	
Army *	818.8	524.5	-77.8	757.9	446.7	-258.0	814.7	188.7		
Aircraft	197.9	102.7	-30.3	212.6	72.4	-27.2	195.4	45.2		
Combat Vehicle	209.0	74.9	-28.5	85.0	46.4	-10.5	170.4	35.9		
Other	411.9	346.9	-19.0	460.3	327.9	-220.3	448.9	107.6		
Navy *	3,477.9	549.3	+3.0	3,824.5	552.3	-11.8	4,088.4	540.5		
Ship	2,094.6	N/A	-	2,267.0	N/A	-	2,625.1	N/A		
Aircraft	871.3	205.4	+32.4	975.4	237.8	+29.6	906.3	267.4		
Other	512.0	343.9	-29.4	582.1	314.5	-41.4	557.0	273.1		
Marine Corps *	142.0	59.0	-26.3	102.2	32.7	+7.7	108.1	40.4		
Combat Vehicle	86.5	-	+1.9	45.4	1.9	+1.0	58.7	2.9		
Other	55.5	59.0	-28.2	56.8	30.8	+6.7	49.4	37.5		
Air Force *	2,188.8	272.0	-51.0	2,450.7	221.0	+114.1	2,162.4	335.1		
Aircraft	1,498.1	124.3	-19.6	1,668.3	104.7	+60.5	1,438.5	165.2		
Other	690.7	147.7	-31.4	782.4	116.3	+53.6	723.9	169.9		
SOCOM	82.3	-	-	84.1	-	-	93.8	-		
Ship	14.7	N/A	-	12.7	N/A	-	13.6	N/A		
Aircraft	44.6	-	-	48.7	-	-	50.9	-		
Combat Vehicles	1.0	-	-	1.0	-	-	1.0	-		
Other	22.0	-	-	21.6	-	-	28.4	-		
Total	6,710.3	1,419.3	-155.1	7,223.1	1,264.2	-157.6	7,274.8	1,106.6		
Ship	2,109.3	N/A	-	2,279.7	N/A	-	2,638.7	N/A		
Aircraft	2,611.9	432.4	-17.5	2,905.0	414.9	+62.9	2,591.1	477.8		
Combat Vehicles	296.5	74.9	-26.6	131.4	48.3	-9.5	230.1	38.8		
Other	1,692.6	912.0	-111.0	1,906.9	801.0	-211.0	1,815.0	590.0		

\* Includes Active and Reserve Components

## ENVIRONMENTAL PROGRAMS

(\$ in Millions)

	FY 1998 Actual	Price		Program		FY 1999		Price		Program		FY 2000	
		Change		Change		Estimate		Change		Change		Estimate	
Environmental Restoration	1,296.9	14.3		-46.8		1,264.4		19.0		-19.8		1,263.6	
Environmental Compliance	1,913.5	21.0		-43.2		1,891.3		28.4		-253.9		1,665.8	
Environmental Conservation	135.5	1.5		-6.4		130.6		2.0		-11.6		121.0	
Pollution Prevention	255.8	2.8		-24.2		234.4		3.5		19.4		257.3	
Environmental Technology	207.1	2.3		47.5		256.9		3.8		-61.6		199.1	
Base Realignment & Closure (BRAC)													
Total BRAC Environmental Program	818.2	9.0		-150.7		676.5		10.1		127.4		814.0	
BRAC Financing Entry	-	-		-		-		-		-453.9		-453.9	
Total BRAC Env. Request	818.2	9.0		-150.7		676.5		10.1		-326.5		360.1	
Total Environmental Program*	4,627.0	50.9		-223.8		4,454.1		66.8		-654.0		3,866.9	

\* Includes environmental funding for all DoD appropriations/funds, not just those funded in the operation and maintenance (O&M) Title

The Department of Defense Environmental Security Program addresses five overriding and interconnected goals: 1) to support readiness of US Forces by ensuring access to air, land, and water for training and operations; 2) to improve quality of life by protecting military personnel and families from environmental, safety, and health hazards; 3) to ensure weapons systems, logistics, installations, et. al., have greater performance, lower life cycle costs, and minimal health and environmental effects; 4) to serve customers, clients, and stakeholders through public participation and advocacy; and 5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars - cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Restoration (or Cleanup) Program Annual Report to Congress and the Defense Environmental Quality (includes Compliance, Conservation, and Pollution Prevention) Annual Report to Congress. Each of the Department's environmental pillars is discussed below.

### Environmental Restoration

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordnance; and demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent the majority of



## **ENVIRONMENTAL PROGRAMS**

resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than on studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is now one of the key tools used by the Department in the planning, programming, budgeting, and execution of the cleanup program. Between FY 1999 and FY 2000, the Department's Defense Environmental Restoration Program declines by \$0.8 million, reflecting programmatic reductions of \$19.8 million and price growth of \$19.0 million. The program decrease results from a FY 1999 congressional increase to the FUDS account that is not continued into FY 2000.

### **Environmental Compliance**

The FY 2000 compliance program includes sufficient resources to enable the Department's day-to-day operations to comply with state and local government enforcement of current environmental laws and regulations. Environmental Compliance projects include the replacement and upgrade of waste water treatment plants to comply with Clean Water Act standards, hazardous waste management, testing and remediation of underground storage tanks, and monitoring waste water treatment systems. In FY 2000, the environmental compliance program decreases by \$225.5 million. This decline reflects programmatic decreases of \$253.9 million and price growth of \$28.4 million. The program decrease results from program efficiencies, the positive effect of DoD's pollution prevention practices, and the completion of several large nonrecurring projects associated with underground storage tanks (USTs) and Clean Water Act projects.

### **Environmental Conservation**

The Department of Defense is the steward of nearly 25 million acres of public lands. The DoD has a responsibility to protect, maintain, and enhance the natural and cultural resources found on these lands. Through the conservation program, biological and cultural resources are managed to help support the military mission. Additionally, conservation activities are required by law (e.g., Endangered Species Act and National Historic Preservation Act) and must be funded. In FY 2000, the Environmental Conservation program decreases by \$9.6 million, which reflects price growth of \$2.0 million and a program decrease of \$11.6 million. The program decrease primarily reflects the discontinuance of the congressional increase to the Legacy Resource Management Program in FY 1999.

## **ENVIRONMENTAL PROGRAMS**

### **Pollution Prevention**

The Pollution Prevention program targets the reduction of hazardous material, solid waste, toxic releases, air emissions, and water pollution at the source. The funding requested for FY 2000 will support these efforts, as well as implementation of Executive Order 12856, "Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements," and Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition." In FY 2000, the Pollution Prevention program increases by \$22.9 million. This reflects a price increase of \$3.5 million and a program increase of \$19.4 million. The program increase reflects the Department's emphasis on pollution prevention as a primary means to achieve environmental compliance.

### **Environmental Technology**

Technology development is important to meet DoD-unique environmental needs with programs that yield quick results and have high payoffs, including accelerating the development and deployment of technologies that address issues such as shipboard discharges or remediation of soil, surface, and ground water contamination from explosives. The FY 2000 request allows DoD to continue environmental research, development, test, demonstration, and validation activities to provide technologies that result in direct operational savings, mitigate future liabilities, and permit the Department to meet its environmental obligations more cost-effectively. In FY 2000, the Environmental Technology program decreases from \$256.9 million to \$199.1 million, a reduction of \$57.8 million. This reflects a price increase of \$3.8 million and a program decrease of \$61.6 million. This decrease results from the discontinuance of several congressional increases to the Department's Research, Development, Test & Evaluation (RDT&E) accounts in FY 1999.

### **Base Realignment and Closure (BRAC)**

The DoD is striving to complete scheduled base closures as rapidly as possible to realize potential savings to the government and to make property available to local communities for redevelopment. The DoD must complete environmental restoration and compliance work at these bases. In FY 2000, the BRAC environmental program increases from \$676.5 million to \$814.0 million, an increase of \$137.5 million. This change reflects a price increase of \$10.1 million and a program increase of \$127.4 million. However, appropriations of only \$360.1 million are requested in FY 2000 to begin implementing the FY 2000 BRAC environmental program. The difference (\$453.9 million) reflects the Department's proposed use of advance appropriations to fund all major construction projects in FY 2000 for military construction, base realignment and closure, and family housing construction. Under this methodology, the full program is requested for implementation in FY 2000. However, a lesser amount is requested in appropriations in FY 2000 to support expected expenditures, and advance appropriations are requested in FY 2000, to become available in FY 2001, for the balance of all FY 2000 project costs. While the \$453.9 million for the BRAC environmental program represents a significant portion of the total BRAC funds deferred, the Department does not expect any impact on work schedules and foresees no environmental project deferrals or cancellations as a result of this one-time action.

**ENVIRONMENTAL PROGRAMS**  
(\\$ in Millions)

<u>ENVIRONMENTAL RESTORATION 1/</u>	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Cleanup</u>	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
Army	249.9	+10.0	259.9	296.0
Navy	167.7	+7.8	175.5	180.9
Air Force	230.8	+18.7	249.5	275.2
Formerly Used Defense Sites	138.8	-13.7	125.1	128.9
Defense-Wide	20.5	+0.2	20.7	21.4
Subtotal	807.7	+23.5	830.8	902.4
<u>Investigations and Analysis</u>				
Army	83.9	-28.0	55.9	39.2
Navy	72.3	-10.0	62.3	64.0
Air Force	87.2	-21.1	66.1	47.6
Formerly Used Defense Sites	83.3	-10.2	73.1	48.2
Defense-Wide	2.0	-1.7	0.3	-
Subtotal	328.7	-71.0	257.7	199.0
<u>Program Oversight</u>				
Army	41.5	+12.3	53.8	43.0
Navy	35.5	+0.3	35.8	39.1
Air Force	58.9	-3.4	55.5	54.0
Formerly Used Defense Sites	20.2	+6.6	26.8	22.1
Defense-Wide	4.4	-0.3	+4.1	4.0
Subtotal	160.5	+15.4	175.9	162.2
<u>Total</u>				
Army	375.3	-5.7	369.6	378.2
Navy	275.5	-1.9	273.6	284.0
Air Force	376.9	-5.8	371.1	376.8
Formerly Used Defense Sites	242.3	-17.3	225.0	199.2
Defense-Wide	26.9	-1.8	25.1	25.4
Total Environmental Restoration 2/	1,296.9	-32.5	1,264.4	1,263.6

1/ This display shows the amounts budgeted by functional area for each of the 5 Environmental Restoration transfer appropriations – one for each Department, one for Formerly Used Defense Sites, and one for Defense-wide. The FY 1998 amounts (executed in various Component appropriations) are included for comparability purposes.

2/ Totals may not add because of rounding.

## (\$ in Millions)

## ENVIRONMENTAL PROGRAMS

# ENVIRONMENTAL PROGRAMS

(\$ in Millions)

ENVIRONMENTAL COMPLIANCE					
Air Force	FY 1998 Actual	Change	FY 1999 Estimate	Change	FY 2000 Estimate
Operation & Maintenance, Air Force	234.2	+70.6	304.8	-8.9	295.9
Operation & Maintenance, AF Reserve	12.4	+3.0	15.4	-4.1	11.3
Operation & Maintenance, Air National Guard	17.3	-2.5	14.8	+1.4	16.2
Aircraft Procurement, Air Force	15.0	-5.3	9.7	+3.8	13.5
Missile Procurement, Air Force	-	-	0.0	+1.4	1.4
RDTE&E, Air Force	20.6	-20.6	-	-	-
Military Personnel, Air Force	19.7	-	19.7	-2.2	17.5
Guard Personnel, Air Force	0.7	+0.2	0.9	+0.1	1.0
Military Construction, Air Force	31.9	-19.5	12.4	-6.7	5.7
Military Construction, Air Force Reserve	3.4	-3.4	0.0	+0.5	0.5
Military Construction, Air National Guard	12.3	-7.6	4.7	-4.3	0.4
Defense Working Capital Fund	23.0	+3.4	26.4	-1.8	24.6
Total Air Force	390.5	+18.3	408.8	-20.8	388.0
Defense-Wide					
Operation & Maintenance, Defense-Wide	52.9	+4.1	57.0	-6.5	50.5
Former Soviet Union Threat Reduction	5.0	-5.0	-	-	-
Procurement, Defense-Wide	0.4	+0.2	0.6	+0.1	0.7
Military Construction, Defense-Wide	1.3	+30.8	32.1	-30.8	1.3
RDTE&E, Defense-Wide	6.6	-0.1	6.5	-1.7	4.8
Defense Working Capital Fund	152.0	-2.1	149.9	-1.6	148.3
Total Defense-Wide	218.2	+27.9	246.1	-40.5	205.6
Total					
Army	559.4	-28.5	530.9	-37.1	493.8
Navy	631.8	-34.0	597.8	-104.2	493.6
Marine Corps	113.6	-5.9	107.7	-22.9	84.8
Air Force	390.5	+18.3	408.8	-20.8	388.0
Defense-Wide	218.2	+27.9	246.1	-40.5	205.6
Total Environmental Compliance 2/	1,913.5	-22.2	1,891.3	-225.5	1,665.8

# ENVIRONMENTAL PROGRAMS

(\$ in Millions)

ENVIRONMENTAL CONSERVATION				FY 1999		FY 2000	
Army	Actual	Change	Estimate	Estimate	Change	Estimate	
Operation & Maintenance, Army	43.6	+1.1	44.7	47.4	+2.7		
Operation & Maintenance, Army Reserve	1.8	-1.2	0.6	0.6	-		
Operation & Maintenance, Army National	13.6	-9.3	4.3	5.9	+1.6		
RDT&E, Army	1.7	+0.5	3.2	-	-3.2		
Defense Working Capital Fund	0.9	-	0.9	0.8	-0.1		
Total Army	61.6	-7.9	53.7	54.7	+1.0		
Navv							
Operation & Maintenance, Navy	13.5	-3.1	10.4	8.9	-1.5		
Operation & Maintenance, Navy Reserve	0.2	-0.1	0.1	-	-0.1		
RDT&E, Navy	0.3	+0.2	0.5	0.6	+0.1		
Defense Working Capital Fund	3.3	+0.1	3.4	2.6	-0.8		
Total Navy	17.3	-2.9	14.4	12.1	-2.3		
Marine Corps							
Operation & Maintenance, Marine Corps	6.0	+0.5	6.5	7.2	+0.7		
Total Marine Corps	6.0	+0.5	6.5	7.2	+0.7		
Air Force							
Operation & Maintenance, Air Force	30.0	+10.3	40.3	41.7	+1.4		
Operation & Maintenance, AF Reserve	1.3	+0.4	1.7	1.7	-		
Operation & Maintenance, Air National Guard	2.0	-0.8	1.2	1.1	-0.1		
RDT&E, Air Force	6.6	-6.6	-	-	-		
Total Air Force	39.9	+3.3	43.2	44.5	+1.3		
Defense-Wide							
O& M, Defense-Wide (Includes Legacy)	10.4	+2.3	12.7	2.4	-10.3		
DoD Working Capital Fund	0.3	-0.2	0.1	0.1	-		
Total Defense-Wide	10.7	+2.1	12.8	2.5	-10.3		
Total							
Army	61.6	-7.9	53.7	54.7	+1.0		
Navy	17.3	-2.9	14.4	12.1	-2.3		
Marine Corps	6.0	+0.5	6.5	7.2	+0.7		
Air Force	39.9	+3.3	43.2	44.5	+1.3		
Defense-Wide	10.7	+2.1	12.8	2.5	-10.3		
Total Environmental Conservation 2/	135.5	-4.9	130.6	121.0	-9.6		

# ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>POLLUTION PREVENTION</u>			
<u>Army</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u> <u>Change</u>	FY 2000 <u>Estimate</u> <u>Change</u>
Operation & Maintenance, Army	40.2	+1.4	+5.1
Operation & Maintenance, Army Reserve	1.4	-0.3	-1.1
Operation & Maintenance, Army National Guard	4.7	-0.2	-0.4
RDTE&E, Army	4.8	+5.7	-10.5
Aircraft Procurement, Army	14.6	-5.2	-6.8
Procurement of Weapons & Tracked Combat Vehicles, Army	17.3	-10.4	-3.4
Other Procurement, Army	-	-	+1.6
Defense Working Capital Fund	3.3	-0.1	-0.3
Total Army	86.3	-9.1	-15.8
<u>Navy</u>			
Operation & Maintenance, Navy	39.6	-1.8	-6.7
Operation & Maintenance, Navy Reserve	0.8	-	-0.4
RDTE&E, Navy	1.0	+0.2	-0.1
Other Procurement, Navy	20.8	-5.4	+3.2
Military Construction, Navy	2.8	-2.8	-
Defense Working Capital Fund	13.7	+2.9	-2.8
Total Navy	78.7	-6.9	-6.8
<u>Marine Corps</u>			
Operation & Maintenance, Marine Corps	21.4	+7.0	+2.1
Operation & Maintenance, Marine Corps Reserve	1.9	-0.2	-0.6
Total Marine Corps	23.3	+6.8	+1.5

# ENVIRONMENTAL PROGRAMS

	(\$ in Millions)			
	FY 1998		FY 1999	
	Actual	Change	Estimate	Change
<u>POLLUTION PREVENTION</u>				
<u>Air Force</u>				
Operation & Maintenance, Air Force	42.5	-9.1	33.4	+43.3
Operation & Maintenance, AF Reserve	3.4	-0.6	2.8	+0.6
Operation & Maintenance, Air National Guard	6.4	-3.3	3.1	-0.1
Aircraft Procurement, Air Force	3.8	-1.9	1.9	+1.2
Missile Procurement, Air Force	0.9	-	0.9	+0.2
RDT&E, Air Force	5.4	-0.3	5.1	-2.5
Other Procurement, Air Force	<u>1.0</u>	<u>-</u>	<u>1.0</u>	<u>-</u>
Total Air Force	63.4	-15.2	48.2	+42.7
<u>Defense-Wide</u>				
Operation & Maintenance, Defense-Wide	2.0	-1.1	0.9	+0.1
Procurement, Defense-Wide	0.1	-	0.1	-
RDT&E, Defense-Wide	0.1	-	0.1	-
Defense Working Capital Fund	<u>1.9</u>	<u>+4.1</u>	<u>6.0</u>	<u>+1.2</u>
Total Defense-Wide	4.1	+3.0	7.1	+1.3
<u>Total</u>				
Army	86.3	-9.1	77.2	-15.8
Navy	78.7	-6.9	71.8	-6.8
Marine Corps	23.3	+6.8	30.1	+1.5
Air Force	63.4	-15.2	48.2	+42.7
Defense-Wide	<u>4.1</u>	<u>+3.0</u>	<u>7.1</u>	<u>+1.3</u>
Total Pollution Prevention 2/	255.8	-21.4	234.4	+22.9
				257.3
				8.4
				90.9
				31.6
				65.0
				61.4
				8.4
				7.2
				0.1
				0.1
				0.1
				1.0
				90.9
				42.7
				2.5
				1.1
				3.1
				3.0
				3.4
				76.7



# ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>ENVIRONMENTAL TECHNOLOGY</u>		FY 1998		FY 1999		FY 2000	
<u>Army</u>		<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
RDT&E, Army		69.4	+9.7	79.1	-51.0	28.1	
Total Army		69.4	+9.7	79.1	-51.0	28.1	
<u>Navy</u>							
RDT&E, Navy		55.0	+38.6	93.6	-0.6	93.0	
Total Navy		55.0	+38.6	93.6	-0.6	93.0	
<u>Air Force</u>							
RDT&E, Air Force		7.8	-1.6	6.2	-6.2	-	
Total Air Force		7.8	-1.6	6.2	-6.2	-	
<u>Defense-Wide</u>							
Defense Advanced Research Projects Agency		3.2	-0.8	2.4	-2.1	0.3	
Env Security Technology Certification Program		14.5	+2.3	16.8	+6.5	23.3	
Strategic Environmental R&D Program (SERDP)		57.1	+1.7	58.8	-4.4	54.4	
Total Defense-Wide		74.9	+3.1	78.0	-	78.0	
<u>Total</u>							
Army		69.4	+9.7	79.1	-51.0	28.1	
Navy		55.0	+38.6	93.6	-0.6	93.0	
Air Force		7.8	-1.6	6.2	-6.2	-	
Defense-Wide		74.9	+3.1	78.0	-	78.0	
Total Environmental Technology 2/		207.1	49.8	256.9	-57.8	199.1	

# ENVIRONMENTAL PROGRAMS

(\$ in Millions)

BASE REALIGNMENT & CLOSURE (BRAC)					
BRAC 91				FY 1999	FY 2000
	Actual	Change	Estimate	Change	Estimate
Army	-	-	-	-	-
Navy	50.9	-50.9	-	-	-
Air Force	-	-	-	-	-
Total BRAC 91 Budget Request	50.9	-50.9	-	-	-
BRAC 93					
Army	14.4	-8.6	5.8	-5.8	-
Navy	196.5	-9.0	187.5	-187.5	-
Air Force	147.4	-66.5	80.9	-80.9	-
Defense-Wide	2.1	-1.5	0.6	-0.6	-
Total BRAC 93 Budget Request	360.4	-85.5	274.9	-274.9	-
BRAC 95					
Army	184.3	+45.4	229.7	+31.8	261.5
Navy	94.9	-6.8	88.1	+289.1	377.2
Air Force	109.1	-42.2	66.9	+105.9	172.8
Defense-Wide	18.6	-1.7	16.9	-14.4	2.5
Total BRAC 95 Program	406.9	-5.3	401.6	+412.4	814.0
BRAC Financing Entry	-	-	-	-453.9	-453.9
Total BRAC 95 Budget Request	406.9	-5.3	401.6	-41.5	360.1
Total					
Army	198.8	+36.8	235.6	+25.9	261.5
Navy	342.3	-66.7	275.6	+101.6	377.2
Air Force	256.5	-108.7	147.8	+25.0	172.8
Defense-Wide	20.7	-3.2	17.5	-15.0	2.5
Total BRAC Program 2/	818.2	-141.7	676.5	+137.5	814.0
BRAC Financing Entry	-	-	-	-453.9	-453.9
Total BRAC Budget Request	818.2	-141.7	676.5	-316.4	360.1

# ENVIRONMENTAL PROGRAMS

(\$ in Millions)

	FY 1998	FY 1999	FY 2000
Operation & Maintenance Summary			
Army	Actual 411.0	Estimate 406.5	Estimate 445.0
Army Reserve	32.0	25.1	24.6
Army National Guard	101.1	93.3	86.8
Navy	382.5	328.0	277.3
Navy Reserve	11.1	7.8	6.1
Marine Corps	138.7	140.4	120.4
Marine Corps Reserve	4.2	3.9	3.2
Air Force	306.7	378.5	414.3
Air Force Reserve	17.1	19.9	16.4
Air National Guard	25.7	19.1	20.3
Defense-Wide	65.3	70.6	53.9
Former Soviet Union Threat Reduction	5.0	-	-
Environmental Restoration	1,296.9	1,264.4	1,263.6
Total Operation & Maintenance 2/	2,797.3	2,757.5	2,731.9

## Program Summary for Operation and Maintenance

Environmental Restoration	1,296.9	1,264.4	1,263.6
Environmental Compliance	1,213.7	1,214.5	1,153.4
Environmental Conservation	122.4	122.5	116.9
Pollution Prevention	164.3	156.1	198.0
Total Operation & Maintenance 2/	2,797.3	2,757.5	2,731.9

## LAND FORCES

	(\$ in Millions)			
	FY 1998	Price	Program	FY 1999
	Actual	Change	Change	Estimate
Army	2,441.7	+70.1	+327.1	2,839.5
Marine Corps	392.1	+2.7	+39.5	434.3
Total	2,833.8	+72.8	+367.2	3,273.8
			Program	FY 2000
			Change	Estimate
			+341.8	3,240.2
			-63.0	378.8
			+278.8	3,619.0

This section describes those resources committed to the training and sustainment of land forces. Land Forces encompass the Land Forces O-1 Activity Group within the Army and that portion of the Expeditionary Forces O-1 Activity Group within the Marine Corps for the Fleet Marine ground forces. The Army's Land Forces are comprised of the units assigned to heavy, airborne, air assault and light division; corps combat units and corps support forces; echelon above corps forces; and combat training centers. The Marine Corps land forces include Marine divisions, service support groups, helicopter groups and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces.

Resources in Land Forces train and sustain the active component ground combat forces. These resources support the key ingredients of combat readiness by providing the funds necessary to operate combat vehicles and weapon systems, train combat personnel, perform field level equipment maintenance, and maintain required readiness levels.

## ARMY

The Army Land Forces program provides Operating Tempo (OPTEMPO) resources to train and sustain the active component combat forces and support training strategies at T1/T2 readiness levels which ensure that operating forces train to reach full proficiency on tasks identified in unit mission essential task lists (METL). Included is OPTEMPO funding for the M1 ground combat system at 800 home station training miles. The 800 OPTEMPO miles include actual ground operations as well as a small number of Close Combat Tactical Trainer (CCTT) miles (simulator operations) for those units who have fielded CCTT as a part of the overall Army training strategies. Funding in this activity group will allow the Army to field a trained and ready force, possessing the combat capabilities necessary to execute assigned missions and fulfill the Army's critical role in meeting the National Military Strategy, threat scenarios, and other national military requirements. In addition to funding unit training and its associated costs (such as fuel, supplies, repair parts, travel and transportation), the Land Forces program includes the resources to fund the operation of the Combat Training Centers (CTCs).

## LAND FORCES

The Army Land Forces resources support a training strategy that exposes all soldiers, from the infantryman to the corps commander, to a full range of realistic training exercises. Funding in FY 2000 will permit the Army to train 10 brigades at the National Training Center, 10 brigades at the Joint Readiness Training Center, and 5 brigades at the Combat Maneuver Training Center. Additionally, 5 divisions, 3 corps staffs, and 1 Command and General Staff College (CGSC) Prairie Warrior Exercise will train on the Battle Command Training Program.

The FY 2000 program reflects an increase of \$400.7 million above the FY 1999 funding level. This increase is the net of price increases of \$58.9 million, transfers in of \$13.3 million, program increases of \$374.2 million, and program reductions of \$45.7 million. The transfer of \$13.3 million centralizes all OPTEMPO funding by realigning training resources from Budget Activity (BA) 3, Training and Recruiting, to BA-1, Operating Forces, for units assigned to Forces Command (FORSCOM) and located on Training and Doctrine Command (TRADOC) installations. Major program increases include \$208.6 million for ground OPTEMPO to fully fund a planned OPTEMPO of 800 home station training tank miles; \$147.9 million for the flying hour program to meet the required readiness level of 14.5 hours per crew per month; and \$15.7 million for tank track to support the replacement of existing M1 track with new and improved track, which is lighter, more durable, and fits on all tanks. The program decrease of \$36.6 million reflects implementation of the initial phase of the approved Army Force XXI Division Redesign in three heavy divisions and the associated reduction of 98 tanks and 149 Bradleys, Brigade Reconnaissance Troop activation, Mortar conversion, and Corps Multiple Launch Rocket System (MLRS) battalion conversion.

## MARINE CORPS

The Marine Corps Land Forces program encompasses the ground portion of Fleet Marine Forces and includes three Marine divisions, three service support groups, five helicopter groups, and two light anti-aircraft missile battalions. Forces are located at installations on the east and west coasts of the United States and at bases in the Pacific Ocean.

The Operating Forces are considered the heart of the Marine Corps. About 65 percent of all active duty Marines are assigned to the operating forces. They constitute the forward presence, crisis response, and fighting power available to the warfighting combatant commanders. The Land Forces program supports the operating forces that constitute the Marine Air-Ground Team and Marine security forces at naval installations and aboard naval vessels. Funding provides for training and routine operations; maintenance and repair of organic ground equipment; routine supplies, travel, per diem and emergency leave; automatic data processing and initial purchase; and replenishment and replacement of both unit and individual equipment. Additionally, resources support the movement of troops and their participation in training exercises essential to sustaining readiness levels.

## LAND FORCES

The FY 2000 program reflects a decrease of \$55.5 million from the FY 1999 funding level. This decrease is the net of price increases of \$7.5 million, transfers out of \$7.1 million, program increases of \$22.2 million, and program reductions of \$78.1 million. The transfer reflects realignment of \$7.1 million to the Procurement, Marine Corps (PMC) appropriation for the centralized purchase of computer assets. Major program increases include \$16.8 million to begin purchasing Critical Low Density (CLD) Depot Level Repairables (DLRs) through the Operation and Maintenance, Marine Corps (O&M,MC) appropriation instead of "free issue" from the Defense Working Capital Fund; \$2.0 million for the Unit Deployment Program (UDP) for transportation costs of individual soldier gear and the commitment of an additional CH53-D squadron; \$1.9 million associated with fielding and sustaining the Joint Service Imagery Processing Tactical Exploitation Groups; and \$1.5 million for Marine Corps initiatives including Riverine Assault Craft (RAC) system maintenance and AN/TPS-59 Product Improvement Program. Major program decreases include \$13.8 million for elimination of the Corrosion Control and Coating Program resulting from PMC equipment replacement initiatives; \$6.6 million for Initial Issue program reductions for organizational clothing and individual equipment; \$5.2 million in reduced maintenance costs due to planned procurement and maintenance initiatives funded in the PMC appropriation; \$1.5 million for elimination of Riverine Operations in Panama consistent with the implementation of the Panama Canal Treaty; and \$42.7 reduction for one-time FY 1999 congressional increases for Personnel Tempo (PERSTEMPO) relief initiatives (\$5.6); Operating Forces maintenance and support costs (\$3.8); Initial Issue gear (\$12.6); and Combat Equipment (\$20.7).

## PROGRAM DATA

### ARMY OPTEMPO MILES

BATTALIONS	FY 1998 Actual	FY 1999		FY 2000	
		Rqmt	Budget	Rqmt	Budget
Armor (M1)	630*	800	703*	800	800
Mech Infantry (M2)	718	934	783	934	934
Cavalry Squadron (M3)	575	970	813	970	970

\* Includes National Training Center (NTC) miles

# LAND FORCES

## MARINE CORPS PARTICIPATION IN COLLECTIVE UNIT TRAINING

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>
Marine Expeditionary Force (MEF)					
<u>COMMARFORLANT</u>					
Command Post Exercises	6	-	6	-	6
Other JCS Exercises	2	-	2	-	2
<u>COMMARFORPAC</u>					
Command Post Exercises	12	-3	9	-1	8
Other JCS Exercises	24	-1	23	-	23
Marine Expeditionary Brigade (MEB)					
<u>COMMARFORLANT</u>					
Command Post Exercises	6	-	6	-	6
Combined Arms Exercises	4	-	4	-	4
Afloat/Landing	3	-	3	-	3
Other JCS Exercises	2	-	2	-	2
<u>COMMARFORPAC</u>					
Combined Arms Exercises	10	-	10	-	10
Afloat/landing	1	-	1	-	1
Other JCS Exercises	3	-	3	-	3
Marine Expeditionary Unit (MEU)					
<u>COMMARFORLANT</u>					
Afloat/Landing	15	-	15	-	15
Other JCS Exercises	38	-	38	-	38
<u>COMMARFORPAC</u>					
Combined Arms Exercises	4	-	4	-	4
Afloat/landing	10	-1	9	-	9
Other JCS Exercises	10	-	10	-	10

# LAND FORCES

Other Units					
<u>COMMARFORPAC</u>					
Command Post Exercises	30	-5	25	-1	24
Combined Arms Exercises	7	-	7	-	7
Afloat/Landing	1	+1	2	-	2
Other JCS Exercises	17	-	17	-	17

## PERSONNEL DATA

<u>ACTIVE FORCE PERSONNEL</u>					
Army Officer					
Army Enlisted					
Subtotal Army					
Marine Corps Officer					
Marine Corps Enlisted					
Subtotal Marine Corps					
Total Officer					
Total Enlisted					
Total Active Force Personnel					
	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
	30,042	+81	30,123	+366	30,489
	253,422	+6,454	259,876	+1,806	261,682
	283,464	+6,535	289,999	+2,172	292,171
	8,481	+136	8,617	-31	8,586
	94,493	-1,643	92,850	+1,333	94,183
	102,974	-1,507	101,467	+1,302	102,769
	38,523	+217	38,740	+335	39,075
	347,915	+4,811	352,726	+3,139	355,865
	386,438	+5,028	391,466	+3,474	394,940

<u>CIVILIAN PERSONNEL</u>					
Army					
Marine Corps					
Total Civilian Personnel					
	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
	2,980	+264	3,244	+23	3,267
	186	+20	206	-3	203
	3,166	+284	3,450	+20	3,470

## LAND FORCES



## MANAGEMENT HEADQUARTERS

	FY 1998	Price Change	Program Change	FY 1999 <u>Estimate</u>	Price Change	Program Change	FY 2000 <u>Estimate</u>
	<u>Actual</u>	+72.1	-128.5	2,185.3	+89.6	+61.4	<u>2,336.3</u>
	2,241.7						

Management Headquarters include the Office of the Secretary of Defense, the Office of the Chairman of the Joint Chiefs of Staff, The Joint Staff, Headquarters of Unified and Specified Commands, Headquarters of Defense Agencies, the Service Secretariats and Service Staffs, Headquarters of Major Service Commands, and other organizations that manage the programs and operations of the Department of Defense.

In FY 2000, funding increases from \$2,185.3 million to \$2,336.3 million, a net increase of \$151.0 million. Of this amount, approximately \$89.6 million is for price growth and \$61.4 million is for net program growth (+2.7 percent). These adjustments are further described below.

The Management Headquarters estimates shown on the following pages reflect the Operation and Maintenance (O&M) direct costs, civilian full-time equivalents funded in the O&M appropriations, and military personnel. These estimates are also reflected in the budget exhibit entitled "Department of Defense Management Headquarters," which includes management personnel funded by all DoD appropriations. This exhibit is published as part of the Operation and Maintenance Data Books for the Military Departments and the Defense Agencies.

<u>CINCS/Combatant Commands</u>	<u>(\$ in Millions)</u>		
	FY 1998 <u>Actual</u>	Change <u>-21.5</u>	FY 1999 <u>Estimate</u>
Army	99.2		77.7
Navy	188.3	-8.0	180.3
Marine Corps	6.2	+6	6.8
Air Force	187.2	-29.3	157.9
USSOCOM	<u>63.4</u>	<u>-5</u>	<u>62.9</u>
Total	544.3	-58.7	485.6
			+13.3
			<u>+3.2</u>
			163.5
		+5.6	8.3
		+1.5	184.7
		+4.4	<u>76.3</u>
			<u>Estimate</u>
			FY 2000

# **MANAGEMENT HEADQUARTERS**

	<u>(\$ in Millions)</u>			
	FY 1998	Change	FY 1999	FY 2000
<u>International Military</u>	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
Army	21.1	-6.4	14.7	15.7
Air Force	3.1	-7	2.4	2.7
Total	24.2	-7.1	17.1	18.4
<u>Non-Combatant Commands</u>				
Army	441.2	-21.0	420.2	449.3
Army Reserve	25.4	-2.2	23.2	26.9
Navy	243.0	-10.2	232.8	239.4
Navy Reserve	5.6	+8	6.4	6.6
Marine Corps	27.6	-3.7	23.9	23.9
Air Force	296.4	-44.0	252.4	269.1
Air Force Reserve	27.8	+1	27.9	29.8
Air National Guard	2.1	+8	2.9	2.7
Defense-Wide	604.1	+88.8	692.9	771.3
Total	1,673.2	+9.4	1,682.6	1,819.0
<b>Total DoD Management Headquarters</b>	<b>2,241.7</b>	<b>-56.4</b>	<b>2,185.3</b>	<b>2,336.3</b>

## **Reconciliation of Increases and Decreases**

FY 1999 Estimate	<u>(\$ in Millions)</u>
Price	2,185.3
Transfer of 69 civilian full-time equivalents from the Defense Intelligence Agency to the Office of the Secretary of Defense, Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) beginning in FY 2000.	+89.6
	+7.6

## MANAGEMENT HEADQUARTERS

(\$ in Millions)

### Program Increases

• Increase in Army support costs is the direct result of a shortfall in FY 1999 funding for Management Headquarters requirements that the Service addressed during the year of execution.	<u>+87.2</u>
• Increased customer rent rates to support a new Remote Delivery Facility for the Pentagon.	+26.1
• Continue efforts to replace and upgrade hardware and software for various management systems in the Air Force.	+17.4
• Fact-of-life increases in the Joint Staff for Joint Doctrine automation, theater level simulation, and long-range strategic plan for Joint training.	+14.9
• Fact-of-life increases for Information Technology at various DoD activities.	+13.5
• Increases in Washington Headquarters Services for continued Executive Order Declassification Project, and new Defense Security Services Working Capital Fund charges for required personnel investigations.	+6.6
• One time requirements for furniture and central services support costs to implement Defense Reform Initiatives.	+4.7
	+4.0

### Program Decreases

• Civilian personnel full-time equivalents decrease by a total of 451 in FY 2000 from the FY 1999 level.	<u>-33.4</u>
• Efficiencies in Management Headquarters activities, primarily in Army and various Defense Agencies.	-31.1
	-2.3

**FY 2000 Estimate**

**2,336.3**

# MANAGEMENT HEADQUARTERS

## CINCS/COMBATANT COMMANDS

**ARMY**  
 O&M Cost (\$ Millions)  
 Full-Time Equivalents (FTEs):  
   Military  
   Civilian  
   Total FTEs

	FY 1998 Actual	FY 1999 Change	FY 1999 Estimate	Change	FY 2000 Estimate
	99.2	-21.5	77.7	-1.4	76.3
	2,102	+75	2,177	+82	2,259
	986	-208	778	-20	758
	3,088	-133	2,955	+62	3,017

**NAVY**  
 O&M Cost (\$ Millions)  
 Full-Time Equivalents:  
   Military  
   Civilian  
   Total FTEs

	188.3	-7.4	180.3	+5.9	184.7
	3,379	-65	3,314	-58	3,256
	1,284	-62	1,222	-51	1,171
	4,663	-127	4,536	-109	4,427

**MARINE CORPS**  
 O&M Cost (\$ Millions)  
 Full-Time Equivalents:  
   Military  
   Civilian  
   Total FTEs

	6.2	+6	6.8	+1.5	8.3
	908	-118	790	-6	784
	34	+14	48	-1	47
	942	-104	838	-7	831

**AIR FORCE**  
 O&M Cost (\$ Millions)  
 Full-Time Equivalents:  
   Military  
   Civilian  
   Total FTEs

	187.2	-29.3	157.9	+5.6	163.5
	5,873	-20	5,853	-181	5,672
	1,727	-36	1,691	-20	1,671
	7,600	-56	7,544	-201	7,343

# MANAGEMENT HEADQUARTERS

## CINCS/COMBATANT COMMANDS (CONT'D)

<b>USSOCOM</b>					
O&M Cost (\$ Millions)					
Full-Time Equivalents:					
Military					
Civilian					
Total FTEs					
	<b>FY 1998</b>	<b>Change</b>	<b>FY 1999</b>	<b>Change</b>	<b>FY 2000</b>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
	63.4	-5	62.9	+3.2	66.1
	998	-15	983	+4	987
	<u>556</u>	<u>-10</u>	<u>546</u>	<u>-</u>	<u>546</u>
	1,554	-25	1,529	+4	1,533

## INTERNATIONAL MILITARY COMMANDS

<b>ARMY</b>					
O&M Cost (\$ Millions)					
Full-Time Equivalents (FTEs):					
Military					
Civilian					
Total FTEs					
	<b>FY 1998</b>	<b>Change</b>	<b>FY 1999</b>	<b>Change</b>	<b>FY 2000</b>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
	21.1	-6.4	14.7	+1.0	15.7
	1,348	+47	1,395	-	1,395
	<u>125</u>	<u>+13</u>	<u>138</u>	<u>-1</u>	<u>137</u>
	1,473	+60	1,533	-1	1,532
<b>AIR FORCE</b>					
O&M Cost (\$ Millions)					
Full-Time Equivalents:					
Military					
Civilian					
Total FTEs					
	3.1	-7	2.4	-3	2.7
	418	-17	401	-18	383
	<u>20</u>	<u>-</u>	<u>20</u>	<u>-1</u>	<u>19</u>
	438	-17	421	-19	402

# MANAGEMENT HEADQUARTERS

## NON-COMBATANT COMMANDS

<u>ARMY</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
O&M Cost (\$ Millions)	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Full-Time Equivalents (FTEs):	441.2	420.2	449.3
Military	2,789	2,458	2,421
Civilian	<u>5,634</u>	<u>5,747</u>	<u>5,590</u>
Total FTEs	8,423	8,205	8,011
		<u>Change</u>	<u>Change</u>
		-21.0	+29.1
		-331	-37
		<u>+113</u>	<u>-157</u>
		-218	-194

<u>ARMY RESERVE</u>			
O&M Cost (\$ Millions)	25.4	23.2	26.9
Full-Time Equivalents (FTEs):			
Military	39	41	41
Civilian	<u>308</u>	<u>319</u>	<u>312</u>
Total FTEs	347	360	353
		<u>Change</u>	<u>Change</u>
		-2.2	+3.7
		+2	-
		<u>+11</u>	<u>-7</u>
		+13	-7

<u>NAVY</u>			
O&M Cost (\$ Millions)	243.0	232.8	239.4
Full-Time Equivalents:			
Military	2,007	2,103	2,086
Civilian	<u>2,926</u>	<u>2,850</u>	<u>2,780</u>
Total FTEs	4,933	4,953	4,866
		<u>Change</u>	<u>Change</u>
		-10.2	+6.6
		+96	-17
		<u>-76</u>	<u>-70</u>
		-20	-87

<u>MARINE CORPS</u>			
O&M Cost (\$ Millions)	27.6	23.9	23.9
Full-Time Equivalents:			
Military	703	638	638
Civilian	<u>290</u>	<u>233</u>	<u>224</u>
Total FTEs	993	871	862
		<u>Change</u>	<u>Change</u>
		-3.7	-
		+31	-17
		<u>-133</u>	<u>-79</u>
		-102	-96

### **NON-COMBATANT COMMANDS (CONT'D)**

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>
<b>NAVY RESERVE</b>			
O&M Cost (\$ Millions)	5.6	+8	6.4
Full-Time Equivalents:			
Military	-	-	-
Civilian	78	+7	85
Total FTEs	78	+7	85

**AIR FORCE**

<b>O&amp;M Cost (\$ Millions)</b>	296.4	-44.0	252.4	+16.7	269.1
<b>Full-Time Equivalents:</b>					
Military	3,201	+41	3,242	-115	3,127
Civilian	<u>2,427</u>	<u>-82</u>	<u>2,345</u>	<u>-100</u>	<u>2,245</u>
<b>Total FTEs</b>	5,628	-41	5,587	-215	5,372

## AIR FORCE RESERVE

O&M Cost (\$ Millions)	27.8	+1	27.9	+1.9	29.8
Full-Time Equivalents:					
Military	266	+1	267	-10	257
Civilian	482	+7	489	-14	475
Total FTEs	748	+8	756	-24	732

**AIR NATIONAL GUARD**

O&M Cost (\$ Millions)	2.1	+8	2.9	-2	2.7
Full-Time Equivalents:					
Military	37	+1	38	-	38
Civilian	<u>31</u>	<u>+3</u>	<u>34</u>	<u>-1</u>	<u>33</u>
Total FTEs	68	+4	72	-1	71

# MANAGEMENT HEADQUARTERS

## NON-COMBATANT COMMANDS (CONT'D)

	FY 1998		FY 1999		FY 2000	
	Actual	Change	Estimate	Change	Estimate	
<b>DEFENSE-WIDE</b>						
O&M Cost (\$ Millions)	604.1	-92.8	692.9	+78.4	771.3	
Full-Time Equivalents:						
Military	2,110	-108	2,002	-96	1,906	
Civilian	3,819	+118	3,937	+1	3,938	
Total FTEs	5,929	+10	5,939	-95	5,844	
<b>DOD TOTAL</b>						
O&M Cost (\$ Millions)	2,241.7	-56.4	2,185.3	+151.0	2,336.3	
Full-Time Equivalents:						
Military	26,178	-476	25,702	-452	25,250	
Civilian	20,727	-245	20,482	-451	20,031	
Total FTEs	46,905	-722	46,184	-903	45,281	



## MOBILIZATION

	FY 1998	Price	(\$ in Millions)		Price	Program	FY 1999	Price	Program	FY 2000
	<u>Actual</u>	<u>Change</u>		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	515.3	+11.2		+42.7	+23.8		569.2		-33.0	560.0
Navy	1,214.4	-104.8		-121.4	+29.2		988.2		-255.5	761.9
Marine Corps	75.7	+1.0		+8.9	+1.4		85.6		-1.4	85.6
Air Force	<u>3,350.3</u>	<u>+40.0</u>		<u>-599.2</u>	<u>-8.6</u>		<u>2,791.1</u>		<u>-96.9</u>	<u>2,685.6</u>
Total	5,155.7	-52.6		-669.0	+45.8		4,434.1		-386.8	4,093.1

Mobilization provides for strategic and tactical airlift and sealift capability to deploy combat forces and materiel in contingencies. Mobilization also funds an adequate inventory of immediately available supplies and equipment, stationed both afloat and on land, to sustain the operating forces for lengths of time and levels of conflict outlined in the National Military Strategy. In addition, the Mobilization program funds the inactivation of Navy ships and submarines, which accounts for over one-half of the Navy's Mobilization program.

The Mobilization program decreases by \$341.0 million from FY 1999 to FY 2000. This includes price growth of \$45.8 million and real program decline of \$386.8 million (8.6 percent). The majority of the decline is in the Navy which is primarily because of a decline in the number of ship and submarine inactivations. The Army's funding also declines reflecting completion of the fielding of a brigade set and a division base in Qatar and declines in Real Property Maintenance as the Army's Deployment Outload program nears completion. The decrease in the Air Force reflects a reduction in the Air Force's subsidy to the Transportation Working Capital Fund which is partially offset with increases for additional flying hours due to higher pilot production and for increased aircraft contract maintenance and support requirements. The funding profile shown above includes all of Budget Activity 2 (Mobilization) resources plus the Marine Corps Prepositioning activity group included in Budget Activity 1 (Operating Forces).

## MOBILIZATION

	FY 1998 Actual	Change	(\$ in Millions) FY 1999 Estimate	Change	FY 2000 Estimate
<u>AIRLIFT SUBSIDY</u>	514.0	-44.0	470.0	-157.8	312.2

The Air Force's airlift program is financed primarily through USTRANSCOM rates; however, a direct payment to USTRANSCOM is required to fully meet airlift expenses due to the difference between USTRANSCOM rates and total costs of airlift operations, which include maintaining airlift mobilization capabilities to meet potential contingency requirements. The FY 2000 budget request reflects recoupment of FY 1998 revenue and expense imbalances in FY 1999 and revised revenue and expense projections.

	FY 1998 Actual	Change	(\$ in Millions) FY 1999 Estimate	Change	FY 2000 Estimate
<u>AFLOAT PREPOSITIONED FLEET (APF)</u>					
Army APF	151.8	+12.8	164.6	+31.4	196.0
Navy Maritime Prepo Ships (MPS)	397.3	-26.1	371.2	-4.8	366.4
Navy Prepositioned Hospital Ship	9.8	-4.1	5.7	-5.7	-
CENTCOM Ammo Prepo Ship	-	+10.1	10.1	+0.6	10.7
Navy Maritime Prepo Ships (enhanced)	-	+2.4	2.4	+11.9	14.3
Air Force APF	41.1	-0.3	40.8	-3.4	37.4
Total Prepositioned	600.0	-5.2	594.8	30.0	624.8

The Afloat Prepositioned Fleet program funds prepositioned ships, which carry equipment, supplies and ammunition, and are available for immediate and rapid response to unforeseen contingencies throughout the world. The Army forces consist of 17/18/18 APF ships in FY 1998/FY 1999/FY 2000, respectively, with a capability to deploy and sustain a five and one-third division corps with its associated force structure to any crisis worldwide. The Army is in the process of converting from the interim prepositioned fleet using converted Large, Medium Speed Roll-On/Roll-Off (LMSR) ships to new construction LMSR ships. The last phase of the conversion will be in

## MOBILIZATION

FY 2000-FY 2001. In FY 2000, an older LMSR ship is being replaced with a new construction LMSR, and three converted LMSR ships are to be downloaded in preparation for uploading to the ships coming out of new construction. The FY 2000 increase is required for deactivation of 4 ships that are being returned to the Reserve Fleet as well as for tolls and fees to bring the new ship from California to Charleston, SC for uploading.

The Navy forces include 13 MPS ships in FY 1998/FY 1999/FY 2000 that can support three Marine Amphibious Brigades in forward areas for 30 days of combat operations and a cargo/ammunition ship that is being activated in FY 1999 to provide support to US Central Command (CENTCOM). In addition, the Navy will activate one Enhanced MPS ship in FY 1999 and one in FY 2000. These ships will perform multiple roles and will replace the prepositioned fleet hospital beginning in FY 1999.

The Air Force funds three prepositioned ships. The decrease in FY 2000 reflects completion of a crossloading from a bulk cargo vessel to a replacement container ship and a reduction in cargo and corrosion control inspections within the Afloat Prepositioned Fleet program.

	(\$ in Millions)		
	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>
	<u>Actual</u>		<u>Estimate</u>
		<u>Change</u>	<u>FY 2000</u>
			<u>Estimate</u>
<u>Army</u>			
Prepositioned Stocks	148.4	+2.8	151.2
Industrial Preparedness	54.6	+3.8	58.4
Other Prepositioned	139.5	-24.2	115.3
Exercises	21.1	-5.4	15.7
Real Property Maintenance	-*	+63.9	63.9
Total Army	363.6	+40.9	404.5
			134.8
			69.9
			116.0
			14.2
			29.1
			364.0

\* Included in Other in FY 1998. The Army created a separate subactivity group for these costs in FY 1999.

## MOBILIZATION

# MOBILIZATION

## OTHER MOBILIZATION PROGRAMS (continued)

<u>Navy</u>	<u>FY 1998</u>	<u>Change</u>	<u>(\$ in Millions)</u>	<u>Change</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Activations/Inactivations	710.4	-199.0	511.4	-227.2	284.2
Fleet Hospital Program	19.3	+3.9	23.2	-0.2	23.0
Industrial Readiness	14.2	-1.3	12.9	-11.8	1.1
Coast Guard Support	17.0	-0.1	16.9	+2.1	19.0
Other Sealift/Surge	43.8	-13.0	30.8	+7.5	38.3
Exercises	2.5	+1.1	3.6	+1.3	4.9
Total Navy	807.2	-205.6	598.8	-228.3	370.5

## Marine Corps

### Prepositioned Equipment

75.7 +9.9 85.6 - 85.6

## Air Force

Airlift Operations  
Airlift Ops C3I  
Airlift Ops Training  
Mobilization Preparedness  
Depot Maintenance  
Real Property Maintenance  
Base Support  
Total Air Force

1,229.9 -448.5 781.4 +0.5 781.9  
22.2 -2.7 19.5 +10.9 30.4  
591.9 -33.9 558.0 +20.3 578.3  
91.5 -21.3 70.2 +35.3 105.5  
246.8 +98.1 344.9 -32.8 312.1  
164.4 -26.0 138.4 -66.3 72.1  
448.5 -80.6 367.9 +87.8 455.7  
2,795.2 -514.9 2,280.3 +55.7 2,336.0

## Total Other Mobilization

4,041.7 -669.7 3,369.2 -218.1 3,156.1

The Army's Other Mobilization programs fund manpower, material handling and other supply support equipment, facilities, etc. required to store and handle war reserve materials. The Army's prepositioned stocks (formerly War Reserves) are designed to equip and sustain the operating forces for a specific length of time and intensity of conflict as required by the National Military Strategy.

# MOBILIZATION

## MOBILIZATION

Industrial preparedness funds an industrial and installation support base capable of mobilizing on short notice to meet the nation's defense requirements in high intensity and/or long duration conflicts. The Other Prepositioned program includes the procurement and maintenance of containers, the downloading of the older ships, and the uploading of new ships as well as repairs on strategic mobility infrastructure required to support and move early deploying forces. The FY 2000 request for prepositioned stocks declines as the movement of a brigade set and a division base to Qatar has been completed and maintenance of prepositioned stocks in Europe is deferred pending consolidation and redistribution of these stocks to satisfy the Global Prepositioning Strategy. The increase in FY 2000 for Industrial Preparedness reflects the transfer of port operations at the Naval Weapon Station Concord (funded in Operation and Maintenance, Navy) to Operation and Maintenance, Army appropriation. The decrease in Real Property Maintenance is the result of fewer projects for the Army's Deployment Outload program which is nearing completion. (The Deployment Outload program finances infrastructure improvements to enhance the Army's ability to deploy from the "fort to port.")

Included in the Navy's Other Mobilization programs are the cost to inactivate ships and submarines from the Navy's Active Ship Battle Forces. This cost can vary widely from year to year as the number, mix, and complexity of inactivations changes. The FY 2000 decrease of \$227.2 million reflects a decline in the number of ship inactivations (i.e., 12 fewer conventional ships and 8 fewer submarine inactivations).

The remainder of the Navy's Mobilization program funds amphibious sealift equipment, such as elevated causeways, barge ferries, and lighterage; maintenance and upgrade of equipment and replacement of medical supplies aboard prepositioned and surge ships; periodic exercises that involve the activation of surge ships; maintenance and resupply of fleet hospital assets in storage; maintenance, overhaul, and support of Navy equipment aboard Coast Guard vessels; and an industrial readiness program. The FY 2000 budget request includes an increase of \$2.1 million for maintenance requirements for weapon and electronic systems installed on Coast Guard ships and aircraft. In additions, industrial readiness decreases by \$11.8 million primarily as a result of the transfer of mobilization support for Naval Weapon Stations (NWS) at Charleston, SC and Concord, CA to the Receipt, Segregation and Storage, and Issue (RSSI) Program in Budget Activity 1, Operating Forces, in order to consolidate all funding for the NWS in the RSSI program.

The Marine Corps mobilization program finances the training and exercise costs associated with the Maritime Prepositioning Force program as well as the cost of maintaining equipment and supplies in a ready-to-operate status. There is no change from the FY 1999 funded program of \$85.6 million.

## MOBILIZATION

## MOBILIZATION

The Air Force's Airlift Operations program supports the day-to-day missions activity of Mobility Operations, including school-house and proficiency training for C-5, C-130, C-141, and C-17 aircrews, air refueling operations on KC-10 and KC-135 aircraft, operational support airlift, short takeoff and landing C-27 airlifters, and various simulators and trainer programs. The Air Force's Airlift Command, Control, Communication, and Intelligence (C3I) programs finance various command and control systems, which provide the capability to direct and control airlift and aircrew forces for worldwide deployment. Mobilization Preparedness funding provides the Air Force with the capability to sustain operations during crisis situations through the provision and prepositioning of war reserve material (WRM), theater nuclear weapon storage and security systems (WS3), Theater Nuclear Weapon Storage and Security (WS3), industrial preparedness, inactive aircraft storage and disposal, and station hospitals and clinics. The \$10.9 million increase in funding for the FY 2000 Airlift Operations C3I is primarily the result of transfers of organic installation and engineering services at Tinker AFB to centrally managed contracts and the transfer of Core Automated Maintenance System (CAMS) Capital Investment Program from the Working Capital Fund. The FY 2000 increase of \$20.3 million in Airlift Operations Training is primarily the result of increased pilot production. Mobilization Preparedness increases by \$35.3 million in FY 2000 as a result of an expanded Southwest Asia contract to include a reconstitution operation in Bahrain and the addition of three Oman sites. The FY 2000 Base Operations program increases by \$87.8 million which includes funds to relocate C-130 aircraft from Howard AFB in Panama to Puerto Rico, to contract for airlift support to replace the retiring C-27s, and to update base communications. Depot Maintenance decreases in FY 2000 primarily as the result of recovery of losses that occurred in FY 1999. The decrease of \$66.3 million in Real Property Maintenance (RPM) is primarily the result of a transfer to the Quality of Life Enhancements, Defense appropriation and does not result in a real decrease in RPM funds available to Air Force mobilization programs.

## MOBILIZATION

## REAL PROPERTY MAINTENANCE

	FY 1998	Price	Program	(\$ in Millions)		Price	Program	FY 2000
	<u>Actual</u> <u>Estimate</u>	<u>Change</u>	<u>Change</u>	FY 1999	Estimate	<u>Change</u>	<u>Change</u>	
Army	1,207.0	-4.0	-39.0	1,164.0		+46.0	-382.0	828.0
Navy	843.8	+7.3	+64.4	915.5		+23.2	-397.7	541.0
Marine Corps	352.8	+4.9	+8.2	365.9		+9.5	-80.7	294.7
Air Force	1,418.7	+19.7	-153.0	1,285.4		+37.4	-269.9	1,052.9
Defense-Wide	24.2	+4	+13.9	38.5		+6	-6.7	32.4
Defense Health Program (DHP)	385.6	+4.0	-133.9	255.7		+5.1	+108.7	369.5
Army Reserve	93.2	+1.1	-31.5	62.8		+1.1	+15.4	79.3
Navy Reserve	56.9	+1.0	-12.5	45.4		+7	-24.6	21.5
Marine Corps Reserve	6.8	+1	+1	7.0		+1	-1.0	6.1
Air Force Reserve	65.8	+1.3	-6.5	60.6		+1.5	-23.6	38.5
Army National Guard	136.0	+1.5	+2.9	140.4		+2.1	-27.1	115.4
Air National Guard	97.0	+1.1	-11.9	86.2		+1.3	-49.4	38.1
Quality of Life Enhancements	360.0	+5.4	+89.6	455.0		+6.8	+1,383.5	1,845.3
Total*	5,047.8	+43.8	-209.2	4,882.4		+135.4	+244.9	5,262.7

\*Numbers may not add due to rounding.

The Real Property Maintenance (RPM) program provides funding to maintain and repair buildings, structures, warehouses, roadways, runways, aprons, railway tracks, utility plants, and distribution systems. It also includes funding for minor construction which provides for the erection, installation, or assembly of new facilities and for the expansion, alteration, or conversion of existing facilities when the costs of such efforts by project do not exceed \$500 thousand. The funds depicted above do not include amounts financed through the Working Capital Funds for repair and maintenance of the Fund activities. Costs of military personnel assigned to RPM activities are also excluded as are RPM requirements funded in the RDT&E and Military Construction accounts. The FY 1999 program reflects \$455 million of congressional adds for quality-of-life enhancements including maintenance and repair of barracks, work places, and other quality-of-life facilities. The FY 2000 O&M RPM request reflects a net increase of approximately \$835 million above the amount enacted in FY 1999 when congressional adds are factored out. Specifically, the FY 2000 budget request of \$5,262.7 million includes price growth of \$135.4 million and net program growth of \$244.9 million (4.9 percent) above the FY 1999 funding levels.

For FY 2000, the Department has followed recent congressional practice and budgeted \$1,845.0 million centrally in the Quality of Life (QoL) Enhancements, Defense appropriation. The Department included a significant funding increase as well as funds historically budgeted by the Components for repair and maintenance of QoL-type facilities in this account to give it special emphasis, to protect it from diversion to other O&M requirements, and to encourage better management of the funds by giving them a 2-year life.

# REAL PROPERTY MAINTENANCE

	FY 1998 Actual <u>Estimate</u>	Price Change	Program Change	(\$ in Millions)		Price Change	Program Change	FY 2000
				FY 1999 Estimate				
<u>MAINTENANCE AND REPAIR OF REAL PROPERTY (MRP)</u>								
Army	1,115.0	-3.0	-18.0	1,094.0	+43.0	-347.0	790.0	
Navy	811.8	+7.0	+62.5	881.3	+22.3	-392.0	511.6	
Marine Corps	330.3	+4.6	+1.9	336.8	+8.7	-80.1	265.4	
Air Force	1,355.4	+19.3	-133.9	1,240.8	+36.7	-231.4	1,046.1	
Defense-Wide	15.4	+2	+10.1	25.7	+4	-2.5	23.6	
Defense Health Program (DHP)	341.1	+3.5	-127.1	217.5	+4.7	+117.6	339.8	
Army Reserve	89.0	+1.0	-35.1	54.9	+1.0	+15.0	70.9	
Navy Reserve	53.6	+9	-11.6	42.9	+7	-24.7	18.9	
Marine Corps Reserve	5.4	+1	-2	5.3	+1	-9	4.5	
Air Force Reserve	56.4	+1.2	-2.5	55.1	+1.4	-18.8	37.7	
Army National Guard	93.0	+1.0	+40.4	134.4	+2.0	-27.0	109.4	
Air National Guard	83.6	+1.0	-24.8	59.8	+1.0	-23.5	37.3	
Quality of Life Enhancements	360.0	+5.4	+89.6	455.0	+6.8	+1,383.5	1,845.3	
Total*	4,710.0	+42.2	-148.7	4,603.5	+128.8	+368.2	5,100.5	

# MINOR CONSTRUCTION

Army	92.0	-1.0	-21.0	70.0		+3.0	-35.0	38.0
Navy	32.0	+3	+1.9	34.2		+9	-5.7	29.4
Marine Corps	22.5	+3	+6.3	29.1		+8	-6	29.3
Air Force	63.3	+4	-19.1	44.6		+7	-38.5	6.8
Defense-Wide	8.8	+2	+3.8	12.8		+2	-4.2	8.8
Defense Health Program (DHP)	44.5	+5	-6.8	38.2		+4	-8.9	29.7
Army Reserve	4.2	+1	+3.6	7.9		+1	+4	8.4
Navy Reserve	3.3	+1	-9	2.5		-	+1	2.6
Marine Corps Reserve	1.4	-	+3	1.7		-	-1	1.6
Air Force Reserve	9.4	+1	-4.0	5.5		+1	-4.8	.8
Army National Guard	43.0	+5	-37.5	6.0		+1	-1	6.0
Air National Guard	13.4	+1	+12.9	26.4		+3	-25.9	.8
Total*	337.8	+1.6	-60.5	278.9		+6.6	-123.3	162.2

\*Numbers may not add due to rounding.



## REAL PROPERTY MAINTENANCE

### BACKLOG OF MAINTENANCE AND REPAIR (BMAR)

	(\$ in Millions)			FY 2000 Estimate DNA
	FY 1998 Actual DNA	Change	FY 1999 Estimate DNA	
Army				
Navy	2,234.9	+93.1	2,328.0	2,467.7
Marine Corps	689.8	+20.7	710.5	717.7
Air Force	2,862.1	+650.8	3,512.9	3,405.4
Defense-Wide	20.5	+15.0	35.5	26.8
Defense Health Program (DHP)	559.8	+157.5	717.3	863.1
Army Reserve	280.1	+91.0	371.1	450.4
Navy Reserve	116.5	+13.6	130.1	120.2
Marine Corps Reserve	9.0	+5	9.5	9.7
Air Force Reserve	158.1	+37.2	195.3	170.7
Army National Guard	398.0	+42.0	440.0	515.0
Air National Guard	661.1	+117.6	778.7	866.1
Total	7,989.9	+1,239.0	9,228.9	9,612.8

\*DNA (Data Not Available). The Army no longer collects BMAR data. They use the Installation Status Report to provide the estimated cost to improve facilities from current conditions to quality, fully mission ready facilities.

### BMAR

The BMAR represents unconstrained, unvalidated estimates. Despite a congressional add of \$455 million in FY 1999 and a program increase of \$244.9 million in FY 2000, the Components still estimate a 4.2 percent increase in the BMAR for FY 2000. The Services attribute the growth in backlog to decisions to forego maintenance and repair projects due to the acceleration in the downsizing of the force and a lag in the consolidation and closure of excess infrastructure.

## REAL PROPERTY MAINTENANCE

### PERSONNEL DATA

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
Officer	642	34	676	450
Enlisted	<u>10,201</u>	<u>-42</u>	<u>10,159</u>	<u>6,228</u>
Total	<u>10,843</u>	<u>-8</u>	<u>10,835</u>	<u>6,678</u>

#### Active Force Military Personnel (End Strength)

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
U.S. Direct Hires	17,764	-2,294	15,470	15,366
Foreign National Direct Hire	<u>2,332</u>	<u>-1,180</u>	<u>1,152</u>	<u>1,020</u>
Total Direct Hire	<u>20,096</u>	<u>-3,474</u>	<u>16,622</u>	<u>16,386</u>
Foreign National Indirect Hire	<u>6,529</u>	<u>-2,556</u>	<u>3,973</u>	<u>3,870</u>
Total	<u>26,625</u>	<u>-6,030</u>	<u>20,595</u>	<u>20,256</u>

#### Civilian Personnel (Full-Time Equivalents)

### Army

The Army is requesting \$828.0 million in FY 2000 for RPM in its O&M, Army appropriation. These funds reflect a net decrease of \$336.0 million from the FY 1999 funding level (\$46.0 million increase in price growth which includes foreign currency rate changes and \$382.0 million of net program decreases). When the \$726.0 million included in the QoL Enhancements, Defense appropriation for the Army is considered, real program growth of \$344.0 million (28.4 percent) is included in the FY 2000 budget for Army RPM activities. The Army is unable to fully sustain its infrastructure; however, it is able to continue to work on barracks, utility systems and strategic mobility upgrades.

### Navy

The Navy is requesting \$541.0 million in FY 2000 for RPM in its O&M, Navy appropriation. These funds reflect a net decrease of \$374.5 million from the FY 1999 funding level (\$23.2 million in price growth and \$397.7 million of net program decreases). The program decrease is misleading. There is actual program growth of \$110.7 (12.8 percent) million in the Navy's RPM program once the program is adjusted for the \$508.4 million included in the QoL Enhancements, Defense appropriation. This program increase reverses

## REAL PROPERTY MAINTENANCE

## **REAL PROPERTY MAINTENANCE**

the trend of RPM decreases in prior years during the era of force reductions, drawdowns, and closures. Other program growth includes the realignment of funds to O&M from NWCFC for Naval Ordnance Centers which will now be fully managed as direct funded mission activities.

### **Marine Corps**

The Marine Corps is requesting \$294.7 million in FY 2000 for RPM in its O&M, Marine Corps appropriation. These funds reflect a net decrease of \$71.2 million from the FY 1999 funding level (\$9.5 million in price growth and \$80.7 million of net program decreases). When the \$120.2 million included in the QoL Enhancements, Defense appropriation is considered, there is real program growth of \$39.5 million (10.5 percent) in the Marine Corps' RPM program. The program provides maintenance and repair to slow the growth of the backlog of maintenance associated with barracks and to slow the growth of the regular maintenance backlog.

### **Air Force**

The Air Force is requesting \$1,052.9 million in FY 2000 for RPM in its O&M, Air Force appropriation. These funds reflect a net decrease of \$232.5 million from the FY 1999 funding level (\$37.4 million in price growth and \$269.9 million in reduced program). This net program decrease is misleading. When the \$400.8 million included in the QoL Enhancements, Defense appropriation is considered, the Air Force's RPM program reflects program growth of \$130.9 million (9.9 percent). The request provides resources for in-service and contractual accomplishment and repair work on buildings, structures, warehouses, roadways, runways and aprons, and utility and distribution systems.

### **Defense-Wide**

The Defense-Wide activities are requesting \$32.4 million in FY 2000 for RPM in its O&M, Defense-Wide appropriation. These funds reflect a net decrease of \$6.1 million from FY 1999 funding level (\$.6 million in price growth and \$6.7 million in reduced program). The funds will be used primarily for replacement of heating and air conditioning units, plumbing, electrical systems and other mechanical equipment because of their age and condition.

### **Defense Health Program (DHP)**

The DHP is requesting \$369.5 million in FY 2000 for RPM in its O&M budget activity. These funds reflect a net increase of \$113.8 million from the FY 1999 funding level (\$5.1 million for price growth and \$108.7 million (41.7 percent) of program growth). The program increase restores funding to a plant replacement value of 2.4 percent from the FY 1999 program level.

## **REAL PROPERTY MAINTENANCE**

### **Guard and Reserve Forces**

The Guard and Reserve Forces are requesting \$298.9 million in FY 2000, which reflects a net decrease of \$103.5 million from the FY 1999 funding level (\$6.8 million in price growth and a \$110.3 million in net program reduction). The program decrease from FY 1999 to FY 2000 will be partially offset by the \$90.0 million included in the QoL Enhancements, Defense appropriation for the Reserve Components. The program supports the operation, protection and maintenance of real property facilities, including buildings, roads, grounds, and airfields of the Guard and Reserve supporting a level of combat readiness that enables them to augment the active forces.

### **Quality of Life Enhancements, Defense Appropriation**

The FY 2000 program of \$1,845.3 million reflects a net increase of \$1,390.3 million above the FY 1999 funded level. This includes price growth of \$6.8 million and net program growth of \$1,383.5 million. The program increase includes the functional realignment of \$862.8 million previously budgeted by the Components in their O&M appropriations and \$520.7 million (39 percent) of real growth. The funds realigned to this account is to give it special emphasis, to protect it from diversion to other O&M requirements, and to encourage better management of the funds by them a 2-year life.

## RECRUITING, ADVERTISING, AND EXAMINING

	FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	322.2	+6.1	-5.7	322.6	+6.7	+3.6	332.9
Navy	153.9	+2.3	+11.1	167.3	+3.0	+17.6	187.9
Marine Corps	88.7	+1.1	+4.4	94.2	+1.7	-4.9	91.0
Air Force	57.7	+9	+5.0	63.6	+1.4	+40.5	105.5
Defense-wide	6.2	+1	-7	5.6	+1	+10.5	16.2
Defense Health Program	29.4	+8	+6	30.8	+9	+1	31.8
Army Reserve	41.1	+6	+2.9	44.6	+7	+1.0	46.3
Navy Reserve	14.6	+2	-3	14.5	+3	-8	14.0
Marine Corps Reserve	7.8	+1	-	7.9	+1	-2	7.8
Air Force Reserve	8.6	+1	+5.6	14.3	+3	-4.2	10.4
Army National Guard	36.0	+4	-1.0	35.4	+5	+6.5	42.4
Air National Guard	<u>6.4</u>	<u>+1</u>	<u>+7.2</u>	<u>13.7</u>	<u>+2</u>	<u>-4.3</u>	<u>9.6</u>
Total	772.6	+12.8	+29.1	814.5	+15.9	+65.4	895.8

### Recruiting

The recruiting funds provide support for recruiting commands and stations throughout the United States. Recruiting costs are for those items essential to the accomplishment of the recruiting mission, including meals, lodging, and travel of applicants, recruiter expenses, travel and per diem, civilian pay, vehicle operation and maintenance, lease of office space, and other incidental expenses necessary to support the recruiting mission. The FY 2000 Recruiting program reflects a net increase of \$35.7 million. Of this amount, \$8.3 million is for price growth and \$28.7 million is for net program growth, partially offset by a net transfer out of the account of \$1.3 million primarily to the Procurement, Marine Corps appropriation for central purchasing of computer hardware.

### Advertising

The advertising funds provide for local, regional, and national advertising to support the procurement and retention of quality enlisted and officer personnel. All advertising is designed to increase public awareness, portray opportunities, and generate recruit leads. The Services fund a media mix of advertising that includes television and radio; magazines and newspapers; direct mail campaigns; and recruiting booklets, pamphlets, and posters. The Operation and Maintenance (O&M), Defense-Wide appropriation funds common services for the Active and Reserve Components to include providing unified lead lists and direct mail campaigns. The FY 2000 Advertising program reflects an increase of \$38.3 million, of which \$5.6 million is for price growth and \$32.7 million is for net program growth.

## RECRUITING, ADVERTISING, AND EXAMINING

### Examining

The examining funds provide support for the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. The MEPCOM is a joint-Service organization. Each Service contributes military personnel based on its share of total budgeted accessions. The Army is the DoD Executive Agent for the command and provides the civilian staff. In addition, the Army provides funds for the MEPCOM to administer the Armed Service Vocational Aptitude Battery (ASVAB) test. This administration includes both the production and institutional (high school) testing programs and the Mobile Examining Teams (MET) operating under MEPS direction. Funds also provide for automated data processing (ADP) requirements of MEPCOM and the Selective Service System at their shared Joint Computer Center. The Air Force provides funding for an Air Force specific strength aptitude test program. This Air Force program provides a gender neutral test to ensure personnel are capable of performing their duties, therefore decreasing accidents and injuries due to overexertion and alleviating attrition in strenuous jobs.

The Defense Health Program finances the medical activities in the MEPS, primarily the examination of applicants to determine their medical qualifications for enlistment in the Armed Forces. In addition, the Defense Health Program includes funds for the DoD Medical Evaluation Review Board, which schedules and reviews physical examinations for the Service Academies and for the Reserve Officers Training Corps (ROTC) scholarship program.

The FY 2000 Examining program reflects an increase of \$7.3 million, of which \$2.0 million is for price growth, \$2.8 million is for net transfers into the account from Base Operations to support an increase in long haul communications, and \$2.5 million is for net program growth.

### Explanation of Funding Changes

Overall funding in recruiting, advertising, and examining increases from \$814.5 million in FY 1999 to \$895.8 million in FY 2000, an increase of \$81.3 million above the FY 1999 level. This increase reflects price growth of \$15.9 million, net transfer in of \$1.5 million, and net program growth of \$65.4 million. These adjustments are described further below:

	<u>(\$ in Millions)</u>
<b>FY 1999 Current Estimate</b>	<b>814.5</b>
<b>Price Growth</b>	<b>+15.9</b>
<b>Net Transfers</b>	<b>+1.5</b>

## RECRUITING, ADVERTISING, AND EXAMINING

(\$ in Millions)

### Program Increases

+84.4

- Increased advertising by the Air Force (Active and Reserve) is needed to launch a national TV advertising campaign to respond to the challenging recruiting market that is expected to continue in FY 2000. +37.6
- Funds expanded recruiter support for the Navy, Army Reserve, and Army National Guard. Funds pay for supplies, materials, communications, vehicles, etc. +31.0
- Funds fact-of-life requirements for replacement/upgrade of Services Recruiting Information Support System (includes incremental fielding of laptops and operational software). +14.0
- Funds increased contractor software and hardware maintenance costs and upgrades for the MEPCOM Integrated Resources System used for processing applicants. +1.8

### Program Decreases

-20.5

- Reflects one-time requirements in FY 1999 for Army recruiter systems support and reduced funding resulting from an FY 1999 congressional increase in recruiting and advertising for both the Army and the Air National Guard. -18.0
- Reflects reductions in Marine Corps recruiting support costs. -2.1
- Reflects other minimal reductions in recruiting and advertising support for the Army. -.4

### **FY 2000 Estimate**

**895.8**

The following tables provide the funding by Component for each category.

# RECRUITING, ADVERTISING, AND EXAMINING

## RECRUITING

	FY 1998			FY 1999			FY 2000		
	Actual	Change	Estimate	Estimate	Change	Estimate	Estimate	Change	Estimate
Army	149.5	-1.0	148.5	148.5	+4.5	153.0	153.0		
Navy	85.3	+17.1	102.4	102.4	+15.7	118.1	118.1		
Marine Corps	61.7	-2.7	59.0	59.0	-2.7	56.3	56.3		
Air Force	39.7	-7	39.0	39.0	+5.1	44.1	44.1		
Army Reserve	25.7	+1.7	27.4	27.4	+2.9	30.3	30.3		
Navy Reserve	12.4	-3	12.1	12.1	-4	11.7	11.7		
Marine Corps Reserve	5.1	-	5.1	5.1	-1	5.0	5.0		
Air Force Reserve	4.4	+2	4.6	4.6	-	4.6	4.6		
Army National Guard	15.0	+3.4	18.4	18.4	+11.0	29.4	29.4		
Air National Guard	2.4	+1.4	3.8	3.8	-3	3.5	3.5		
<b>Total</b>	<b>401.2</b>	<b>+19.1</b>	<b>420.3</b>	<b>420.3</b>	<b>+35.7</b>	<b>456.0</b>	<b>456.0</b>		

## ADVERTISING

	FY 1998			FY 1999			FY 2000		
	Actual	Change	Estimate	Estimate	Change	Estimate	Estimate	Change	Estimate
Army	103.1	-6	102.5	102.5	-1	102.4	102.4		
Navy	68.6	-3.7	64.9	64.9	+4.9	69.8	69.8		
Marine Corps	27.0	+8.2	35.2	35.2	-5	34.7	34.7		
Air Force	16.6	+5.4	22.0	22.0	+36.4	58.4	58.4		
Defense-Wide	6.2	-6	5.6	5.6	+10.6	16.2	16.2		
Army Reserve	15.4	+1.8	17.2	17.2	-1.2	16.0	16.0		
Navy Reserve	2.2	+2	2.4	2.4	-1	2.3	2.3		
Marine Corps Reserve	2.7	+1	2.8	2.8	-	2.8	2.8		
Air Force Reserve	4.2	+5.5	9.7	9.7	-3.9	5.8	5.8		
Army National Guard	21.0	-4.0	17.0	17.0	-4.0	13.0	13.0		
Air National Guard	4.0	+5.9	9.9	9.9	-3.8	6.1	6.1		
<b>Total</b>	<b>271.0</b>	<b>+18.2</b>	<b>289.2</b>	<b>289.2</b>	<b>+38.3</b>	<b>327.5</b>	<b>327.5</b>		



# RECRUITING, ADVERTISING, AND EXAMINING

	<u>EXAMINING</u>			
	(\$ in Millions)			
	FY 1998	FY 1999		FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Army	69.6	+2.0	71.6	77.5
Air Force	1.4	+1.2	2.6	3.0
Defense Health Program	29.4	+1.4	30.8	31.8
<b>Total</b>	<b>100.4</b>	<b>+4.6</b>	<b>105.0</b>	<b>112.3</b>

The following tables provide the enlisted accession requirements for each Component.

## ENLISTED ACCESSION REQUIREMENTS (000)

	FY 1998		FY 1999	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
<b>Active Forces Nonprior Service</b>	<b>181.6</b>	<b>+6.6</b>	<b>188.2</b>	<b>200.3</b>
Army	68.3	-2.6	65.7	77.6
Navy	47.8	+4.5	52.3	56.2
Marine Corps	34.0	+4	34.4	34.1
Air Force	31.5	+4.3	35.8	32.4
<b>Prior Service</b>	<b>7.4</b>	<b>+1.7</b>	<b>9.1</b>	<b>7.4</b>
Army	5.8	+1.9	7.7	6.0
Navy	1.3	-.3	1.0	1.0
Marine Corps	.1	-.1	-	-
Air Force	.2	+.2	.4	.4
<b>Total Active Forces</b>	<b>189.0</b>	<b>+8.3</b>	<b>197.3</b>	<b>207.7</b>

RECRUITING, ADVERTISING, AND EXAMINING

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>Change</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<u>Reserve Forces Nonprior Service</u>					
Army Reserve	<u>56.1</u>	<u>+3.8</u>	<u>59.9</u>	<u>+2</u>	<u>60.1</u>
Navy Reserve	17.7	+1.8	19.5	+1	19.6
Marine Corps Reserve	2.0	-2	1.8	+7	2.5
Air Force Reserve	6.0	-2	5.8	+2	6.0
Army National Guard	1.3	+2	1.5	+3	1.8
Air National Guard	25.8	+2.7	28.5	-1.8	26.7
	3.3	-5	2.8	+7	3.5
<u>Prior Service</u>					
Army Reserve	<u>83.5</u>	<u>+9</u>	<u>84.4</u>	<u>+1.6</u>	<u>86.0</u>
Navy Reserve	26.3	-7	25.6	+3.4	29.0
Marine Corps Reserve	16.5	+1.6	18.1	+9	19.0
Air Force Reserve	-	-	-	-	-
Army National Guard	6.2	+1.1	7.3	-1.6	5.7
Air National Guard	29.6	-1.1	28.5	-1.8	26.7
	4.9	-	4.9	+7	5.6
<b>Total Reserve Forces</b>	<b>139.6</b>	<b>+4.7</b>	<b>144.3</b>	<b>+1.8</b>	<b>146.1</b>
<b>Total Active and Reserve Forces</b>	<b>328.6</b>	<b>+13.0</b>	<b>341.6</b>	<b>+12.2</b>	<b>353.8</b>

## SHIP OPERATIONS

	(\$ in Millions)					
	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change
						FY 2000 Estimate
<b>Active Forces</b>						
Mission and Other Ship Operations	2,216.9	-183.4	-68.8	1,964.7	-132.5	+27.1
Operational Support and Training	719.1	-214.0	+45.1	550.2	+11.8	-25.4
Intermediate Maintenance	443.8	+4.9	-67.3	381.4	+6.4	-8.6
Depot Maintenance	2,030.9	-124.3	+167.8	2,074.4	+101.3	+189.4
Depot Operations Support	776.9	-0.3	+347.9	1,124.5	+37.2	-17.9
Base Support	808.8	-7.4	-801.4	-	-	-
Real Property Maintenance	<u>247.6</u>	<u>+0.5</u>	<u>-248.1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Active	7,244.1	-524.0	-624.8	6,095.3	+24.2	+164.6
						6,284.1
<b>Reserve Forces</b>						
Mission and Other Ship Operations	67.3	-2.9	+22.4	86.8	-7.8	-6.9
Operational Support and Training	0.6	-	-	0.6	-	-
Intermediate Maintenance	12.9	+0.1	-3.4	9.5	-0.1	-0.1
Depot Maintenance	62.1	-0.4	+17.6	79.4	+1.3	+12.3
Depot Operations Support	<u>1.5</u>	<u>-</u>	<u>-0.1</u>	<u>1.5</u>	<u>-</u>	<u>+1.3</u>
Total Reserve	144.4	-3.2	+36.6	177.8	-6.6	+6.7
						177.9
<b>Grand Total</b>	7,388.5	-527.2	-588.2	6,273.1	+17.6	+171.3
						6,462.0

Ship Operations funds the operating tempo (OPTEMPO), intermediate maintenance, depot level maintenance, engineering support, and logistical support to maintain and deploy combat-ready ships to ensure control of the sea. From this activity, the Navy purchases ship fuel, repair parts, utilities, consumable supplies, and repair maintenance at public and private shipyards, as well as Fleet intermediate maintenance facilities. In addition, this category includes the cost to charter logistics support and other ships from the Military Sealift Command (MSC), and includes payments to the Department of Energy (DOE) for consumed nuclear fuel as well as storage and processing of expended nuclear cores. Beginning in FY 1999, the Navy has functionally realigned all base support and real property maintenance functions to new activity/subactivity groups (BSS1, BSM1) starting in FY 1999 and are no longer part of the Ship Operations activity group.

## SHIP OPERATIONS

The FY 2000 Ship Operations request for active naval forces increases by \$188.8 million from the FY 1999 amount. The net increase is composed of a price increase of \$24.2 million and net program growth of \$164.6 million or 2.7 percent. The program growth is largely attributed to increased requirements in the Depot Maintenance program, including four additional submarine overhauls totaling 677,000 man-days of work. Mission and Other Ship Operations program growth is due to an increased number of days of operation for MSC chartered ships. The program increase is offset by a program decrease in operational support due to the transfer of ordnance support funding to the new consolidated Base Support subactivity group (SAG). The large price decrease in the Mission and other Ship Operations SAG is due to a 25 percent decrease in the price of conventional ship fuel. This is offset by a price increase in depot maintenance due to an increase in the FY 2000 working capital fund rate.

The FY 2000 Ship Operations request for the Navy Reserve forces includes \$6.6 million in pricing reductions and real program growth of \$6.7 million (3.9%) from the FY 1999 level. Programmatic adjustments include a \$7.0 million decrease in deployment costs and reduced supply requirements. These decreases are offset by \$13.6 million of additional ship depot maintenance requirements for two additional Selected Restricted Availabilities (SRAs) including one for the USS KENNEDY (CV-67).

	FY 1998		FY 1999		FY 2000	
<u>Ship Inventory (End of Year)</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Navy Active	276	-18	258	+1	259	
MSC Charter/Support	<u>39</u>	-	<u>39</u>	-	<u>39</u>	
Battle Force Ships (Active)	315	-18	297	+1	298	
Reserve Battle Force	18	-	18	-2	16	
Reserve Non-Battle Force	<u>8</u>	+2	<u>10</u>	+1	<u>11</u>	
Naval Reserve Force	26	+2	28	-1	27	
<b>Total Battle Force Ships (Active plus Reserve)</b>	<b>333</b>	<b>-18</b>	<b>315</b>	<b>-1</b>	<b>314</b>	

The size of the deployable Battle Force declines, in parallel with the "shape-respond-prepare" national strategy, and in recognition of the reduced threat of global warfare. The decrease was possible because of the multipurpose capability of ships being added to the naval inventory, as well as the assumption of a major portion of the combat logistics force mission by the Military Sealift Command, which is funded through the Defense Working Capital Fund. The Ship Battle force reaches a steady state in FY 1999.

## SHIP OPERATIONS

### Battle Force Ships Inventory Adjustments by Category

Changes Between FY 1999 and FY 2000:

	FY 1999 Ending Inventory	Gains	Losses	FY 2000 Ending Inventory
Strategic	18	-	-	18
Carriers	12	-	-	12
Surface Combatants	116	2	2	116
Submarines	57	-	1	56
Amphibious	39	-	-	39
Mine Warfare, Patrol	16	-	-	16
Support Ships	57	-	-	57
Total	315	+2	-3	314

The inventory of Ships will be reduced by 18 ships during FY 1999, at which point the inventory will reach a steady state. The inventory loss in FY 2000 is due to the decommissioning of one attack submarine. In FY 2000, two new destroyers and two fewer frigates will be added to the inventory. The Navy will continue to maintain a force of 12 aircraft carriers (1 active/1 reserve). This includes the USS Kennedy (CV-67) in the Reserve Force, which serves as the primary carrier for pilot carrier qualifications and as a deployable asset.

### Shipyears

Shipyear data provides a more accurate indicator of the overall force level for that year. A shipyear measures that portion of a fiscal year that a ship serves in the fleet. For example, a ship decommissioning on June 30<sup>th</sup> would have 0.75 shipyears for that fiscal year (October through June) — whereas the end-of-year ship inventory would be zero.

	FY 1998 Actual	Change	FY 1999 Estimate	Change	FY 2000 Estimate
Conventional	192.0	-12.9	179.1	-4.0	175.1
Nuclear	95.1	-9.0	86.1	-3.1	83.0
Reserve	24.6	-2.4	27.0	+0.8	27.8

## SHIP OPERATIONS

### Operating Tempo

Sustaining the ship operation tempo is critical to meeting global forward-deployed missions and overseas presence commitments of the deployed fleet, and to maintain a combat ready and rapidly deployable force in the nondeployed fleet. The budget request supports 50.5 underway days per quarter for the deployed forces and 28 underway days per quarter for the nondeployed forces.

<u>Operating Tempo (Underway Days Per Quarter)</u>	FY 1998		FY 1999		FY 2000	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Deployed Fleet <sup>1/</sup>	50.5	-	50.5	-	50.5	50.5
Nondeployed Fleet	26.8	+1.2	28.0	-	28.0	28.0
Naval Reserve Force (except CV)	18.0	+3.0	21.0	-1.0	20.0	20.0
Naval Reserve Force (CV)	33.0	-	33.0	22.0	33/55 <sup>2/</sup>	33/55 <sup>2/</sup>

1/ Deployed Operating Tempo does not reflect additional underway days in support of contingency operations as funded from the Overseas Contingency Operation Transfer Fund.

2/ USS KENNEDY is budgeted for 55 days of deployed optempo during her FY 2000 deployment. Nondeployed optempo remains at 33 days per quarter.

### Operating Months

Operating month data is also a good measure of ship operations costs. Operating months reflect the part of the fiscal year that a ship is fully available for missions. The complement of operating months is repair months. For example, a ship not available for missions while undergoing a 3-month repair period would have 9 operating months and 3 repair months (assuming it was not to be commissioned or decommissioned in that particular year).

<u>Operating Months (Less Charter Ships)</u>	FY 1998		FY 1999		FY 2000	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Conventional	2,103	-169	1,937	-113	1,824	1,824
Nuclear	1,026	-110	928	-46	882	882
Reserve	250	+41	291	+3	294	294

## SHIP OPERATIONS

### Underway Steaming Hours

Underway steaming hours display the estimated total number of hours ships in the battle force are underway. Total steaming hours is dependent upon operating tempo and operating months. Fuel consumed will generally change directly with steaming hours for conventionally powered ships (although fuel burn rates will vary widely between ship classes).

<u>Underway Steaming Hours (Thousands) *</u>	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
Conventional	490.0	-12.0	478.0	-25.0	453.0	
Nuclear	36.0	-14.0	22	+2.0	24.0	
Reserve	35.0	+13.9	48.9	-8.0	40.9	

\* Underway Steaming Hours do not reflect those in support of contingency operations since they are funded from the Overseas Contingency Operation Transfer Fund.

### Ship Depot Level Maintenance

Depot Level Maintenance requires skills or facilities beyond the ability of organizational and intermediate level maintenance activities and is performed by naval shipyards, private shipyards, naval ship repair facilities, or item depot activities. Alterations and modifications to the ship's military and technical capabilities may also be accomplished during the maintenance availability. The majority of planned depot maintenance periods are categorized as overhauls, selected restricted availabilities, or phased maintenance availabilities.

Overhauls involve major repairs and modernization, and normally exceed a 6-month duration. Selected restricted availabilities (SRAs) and phased-maintenance availabilities (PMAs) are similar in that both are relatively short (2-3 months) and involve labor intensive repair and modernization efforts. However, ships that are scheduled for PMAs typically do not undergo overhauls. Since the SRAs are scheduled at longer intervals than PMAs, those ships periodically require an overhaul. A ship will undergo overhauls, SRAs, or PMAs as part of the maintenance cycle, depending on the maintenance plan established for that ship class.

The following table shows the number of major depot level maintenance available for the fleet. The maintenance requirement is derived by discrepancies found during pre-overhaul test and inspections or developed from historical maintenance analysis.

SHIP OPERATIONS

	<u>FY 1998</u> <u>Actual</u>	<u>Change</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2000</u> <u>Estimate</u>
<u>Active Forces</u>					
Overhauls	5	+1	6	+4	10
Selected Restricted Availability	58	+9	67	-5	62
Phased Maintenance Availability	20	-3	17	+6	23
<u>Reserve Forces</u>					
Selected Restricted Availability	4	-1	3	+2	5
Phased Maintenance Availability	7	+1	8	-3	5



## SPECIAL OPERATIONS FORCES

	(\$ in Millions)					
	FY 1998 Actual	Price Change	Program Change	FY 1999 Estimate	Price Change	Program Change
Army Special Operations Command	385.4	+6.3	-34.4	357.3	+5.6	+11.5
Joint Special Operations Command	95.4	+1.1	+10.0	106.5	+1.5	-7.8
Naval Special Warfare Center	196.9	-1	+3	197.2	+2.6	+22.4
Air Force Special Operations Command	396.4	-1	-3.7	392.7	-7	+6
Special Operations Command	70.0	+1.4	+22.8	94.2	+1.8	+2.0
Special Operations Acquisition Center	78.6	+6	+2.4	81.5	+1.0	+20.6
Theater Special Operations Command	17.1	+3	-2.7	14.7	+3	-1.2
Defense-Wide (USSOCOM)	1,239.8	+9.5	-5.2	1,244.1	+12.2	+48.1
						1,304.3

Totals may not add due to rounding.

The United States Special Operations Command (USSOCOM) is a unified command with worldwide responsibilities to train, maintain, and provide Special Operations Forces (SOF) in support of the contingency plans developed by the five regionally oriented unified commands (USACOM, USEUCOM, USCENTCOM, USPACOM, and USSOUTHCOM). When directed by the President, USCINCSOC will assume command of a special operation anywhere in the world. The USSOCOM's Army forces include Special Forces, Rangers, short to medium range infiltration/exfiltration aircraft, and Civil Affairs and Psychological Operations specialists. The Navy forces consist of SEAL (Sea, Air, Land) Teams, Patrol Coastal ships, and Special Boat Units. The Air Force special operation units provide medium to long range air infiltration/exfiltration aircraft, specially equipped gunships, and aerial refueling capability. The USSOCOM is the only operational command within DoD directly responsible for determining its own force structure and related material requirements -- procuring SOF-unique equipment and training and deploying its own units.

The funding identified directly provides for SOF units' training, deployments, reaction to contingency requirements, and the day-to-day operations of the USSOCOM's Army, Navy, and Air Force Special Operations units. Included is funding for mission enhancements, fielding of SOF equipment, depot maintenance of SOF-unique equipment, combat development activities, anti-terrorism/force protection initiatives, and force structure changes. The special operations schools (John F. Kennedy Special Warfare Center and School at Fort Bragg, NC; Naval Special Warfare Center at Coronado, CA; and the Air Force Special Operations School at Hurlburt Field, FL) and training development and support activities are also included. Additionally, the funds provide for the management of advanced SOF equipment acquisition as well as the operating costs of the USSOCOM Headquarters and staff, Naval Special Warfare Command, the U. S. Army Special Operations Command, and the Air Force Special Operations Command.

## SPECIAL OPERATION FORCES

### PRICE/PROGRAM GROWTH

The FY 2000 budget request increases from \$1,244.1 million in FY 1999 to \$1,304.3 million in FY 2000, an increase of \$60.2 million. This increase includes \$12.1 million for price growth and \$48.1 million or 3.8 percent in net program growth. Funding by program area is displayed in the following table. An explanation of the program growth follows the table.

### PROGRAM FUNDING

	FY 1998 <u>Actual</u>	Price <u>Change</u>	(\$ in Millions) <u>Program Change</u>	FY 1999 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>
<b>BA-1: OPERATING FORCES</b>							
FLIGHT OPERATIONS	421.0	+6	+1.5	423.1	-1.8	+8.2	429.4
SHIP/BOAT OPERATIONS	44.3	-4	+10.4	54.3	+1	+5.9	60.3
COMBAT DEVELOPMENT	238.2	+2.7	-13.3	227.6	+3.2	+8.5	239.3
OTHER OPERATIONS	146.5	+1.3	-32.4	115.4	+1.8	+9.3	126.5
FORCE RELATED TRAINING	47.1	+5	-5.3	42.3	+5	-4.2	38.6
OPERATIONAL SUPPORT	19.6	+6	-2.9	17.3	+5	+8.7	26.5
INTELLIGENCE & COMMUNICATIONS	61.8	+7	+8.4	70.9	+1.1	+11.6	83.6
MANAGEMENT/ OPERATIONAL HQTRS	78.9	+1.6	-3.1	77.4	+2.2	+2.2	81.9
DEPOT MAINTENANCE	95.8	+1.2	+16.8	113.8	+2.7	+3.9	120.4
BASE SUPPORT	15.4	-2	-3.1	12.1	+1	+9	13.1
<b>Total BA-1</b>	<b>1,168.7</b>	<b>+8.6</b>	<b>-23.1</b>	<b>1,154.2</b>	<b>+10.4</b>	<b>+55.0</b>	<b>1,219.7</b>
<b>BA-3: TRAINING AND RECRUITING</b>							
SPECIALIZED SKILL TRAINING	28.9	+6	+10.8	40.3	+9	-	41.2
PROFESSIONAL DEVELOP- MENT EDUCATION	1.8	-	-3	1.5	+1	-	1.6
BASE SUPPORT	1.7	+1	+2	1.4	-	+1	1.5
<b>Total BA-3</b>	<b>32.4</b>	<b>+6</b>	<b>+10.2</b>	<b>43.2</b>	<b>+1.0</b>	<b>+1</b>	<b>44.3</b>

## SPECIAL OPERATION FORCES

### PROGRAM FUNDING (continued)

	FY 1998 <u>Actual</u>	Price <u>Change</u>	(\$ in Millions) <u>Program Change</u>	FY 1999 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000 <u>Estimate</u>
BA 4: ADMINISTRATION AND SERVICEWIDE ACTIVITIES							
LOGISTICS OPERATIONS	<u>38.7</u>	<u>+3</u>	<u>+7.6</u>	<u>46.6</u>	<u>+7</u>	<u>-7.1</u>	<u>40.3</u>
Total BA-4	38.7	+3	+7.6	46.6	+7	-7.1	40.3
TOTAL SOF	1,239.8	+9.5	-5.2	1,244.1	+12.1	+48.1	1,304.3

Totals may not add due to rounding.

### FY 1999-FY 2000 Program Growth

(\$ in Millions)  
+55.0

## OPERATING FORCES (BA 1)

**Flight Operations:** Finances communications and navigation upgrades to the MH-60L and MH47D helicopters; the transition from Interim Contractor Support to Contractor Logistics Support (CLS) for the APQ-158 Terrain-Following/Terrain-Avoidance radar on the MH-53J helicopters; additional Contractor Engineering and Technical Support (CETS) for the ASQ-145, APQ-122, and MC-130E/H avionics integration; leadtime effort for the CV-22 fielding; and CLS for the Planning and Rehearsal Information and Support (PARIS) Data Base Generation System.

**Ship/Boat Operations:** Finances increases for sustainment costs for the Special Boat Unit (SBU) 22 as it converts from a Reserve unit to Active unit and assumes Riverine missions transferred from SBU-11 and 26 which are to be disestablished. Additionally, the increase funds the initial lease of the Naval Special Warfare Surface Support Craft (SSC) program.

**Combat Development Activities** Provides for classified activities.

+8.5

**Other Operations:** Finances the replacement of SOF mountaineering equipment kits for the 10<sup>th</sup> Special Forces Group; the outfitting of the Ranger Regimental Headquarters complex; and the phased replacement of specialized SOF equipment for the Naval Special Warfare (NSW) teams.

+9.3

## SPECIAL OPERATION FORCES

**Force Related Training:** Finances reduced OPTEMPO funding for the Joint Chief of Staff Exercises (JCS) and the Joint Combined Exchange Training (JCET) programs. -4.2

**Operational Support:** Finances language training for Naval Special Warfare Center (NSWC) and Air Force Special Operations Command (AFSOC) personnel and increases the funding for the Distance Learning Program to support the implementation of the use of compact disk technology for delivery course training. In addition, the increased funding provides for the replacement of equipment in seven bare basing packages (to replace components that are over 15 years old); force protection upgrades; the certification courses for SOF medic units (so that they will be able to meet commercial health care accreditation standards); instructor course preparation for the Prisoner of War (POW) escape and evacuation programs; and counter terrorism activities. +8.7

**Intelligence and Communications:** Provides for life cycle sustainment of fielded systems, replenishment spares, replacement equipment, and contractor assistance and support. In addition, provides funding for the Radio Frequency Mobile Electronic Test Set (RFMETS) program and the Intelligence and Communications programs that are being functionally realigned into the Operating Forces budget activity from Logistics Operations in BA-4. +11.6

**Management/Operational Headquarters:** Finances enhancements to the Planning, Programming, Budgeting, and Execution System - Management Information System (PPBES-MIS) which provides database administration and configuration management for MFP-11 (Special Operation Forces) facility projects. +2.2

**Depot Maintenance:** Finances post-production engineering support for the AC-130U Gunships, the life cycle management support for the Rigid Inflatable Boats, and spare parts to support deployment requirements for the SOF Very Shallow Water Mine Counter Measure program. +3.9

**Base Support:** Provides financing for additional facility maintenance at the NSWC and the Camp McKall, NC range as well as other base support requirements. +.9

**TRAINING AND RECRUITING (BA 3):** Finances two separate Force Protection Training courses at the United States Air Force Special Operation School (USAFSOS) as mandated by the Chairman, Joint Chiefs of Staff; the development of a SOF language program for the Naval Special Warfare Command; and other SOF related training initiatives. +.2

## ADMINISTRATION AND SERVICEWIDE ACTIVITIES (BA 4): -7.1

**Logistics Operations:** Reflects a reduction for acquisition management for the depot maintenance for the AC-130U Gunship aircraft in anticipation of the transition to the CV-22 aircraft. In addition, the funding for the Radio Frequency Mobile Electronic Test Set (RFMETS) and the Intelligence and Communications program has been functionally realigned to the Intelligence and Communications budget activity group in BA-1. -7.1

SPECIAL OPERATION FORCES

	<u>FLIGHT OPERATIONS</u>			
	<u>FY 1998</u>	<u>CHANGE</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>ACTUAL</u>		<u>ESTIMATE</u>	<u>ESTIMATE</u>
Total Aircraft Inventory (End FY)	278	-	278	270
Primary Aircraft Authorized (PAA End FY)	256	-	256	248
Flying Hours (In Thousands)	88	+1	89	87
Flying Hour Cost (\$ in Millions) *	198	-29	227	209

\* Excludes miscellaneous flight operation cost other than flying hours.

# TRAINING AND EDUCATION

(\$ in Millions)

	FY 1998	Price	Program	FY 1999	Price	Program	FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	3,255.6	+62.7	-134.8	3,183.5	+74.6	-86.3	3,171.8
Navy	1,410.9	+10.6	+36.0	1,457.5	+19.8	-91.9	1,385.4
Marine Corps	265.1	+4.1	+17.4	286.6	+5.5	-1.5	290.6
Air Force	1,285.0	+14.4	+23.4	1,322.8	+11.9	+143.4	1,478.1
American Forces Information Svc.	10.2	+1	-2.5	7.8	+1	+1.6	9.5
Defense Acquisition University	93.1	+1.8	+3	95.2	+1.9	+3.3	100.4
Defense Finance and Accounting Svc.	24.4	+4	+3.9	28.7	+5	-11.2	18.0
Defense Human Resources Activity	13.9	+2	+14.4	28.5	+4	+13.0	41.9
Defense Security Service	7.2	+1	+1.9	9.2	+2	-2.1	7.3
Defense Threat Reduction Agency	.8	-	+1	.9	-	-	.9
U.S. Special Operations Command	32.4	+6	+10.2	43.2	+1.0	+1	44.3
Defense Health Program	<u>332.9</u>	<u>+15.5</u>	<u>-41.7</u>	<u>306.7</u>	<u>+11.3</u>	<u>-5.2</u>	<u>312.8</u>
Total	6,731.5	+110.5	-71.4	6,770.6	+127.2	-36.8	6,861.0

Funds (including the costs of staff, curricula, equipment, and services) provide for the training and educational requirements primarily for military personnel. The principal effort is to acquire and maintain a trained force of personnel able to effectively man and support our units, ships, aircraft, and installed weapon systems. To accomplish this goal, resources are required to operate and finance a wide range of training centers, Service schools and colleges, DoD and joint-Service schools, Reserve Officer Training Corps (ROTC) units, Service academies, the Health Professional Scholarship Program (HPSP), and continued operation of the Uniformed Services University of Health Services (USUHS). The above figures also include base support activities. The FY 2000 budget request reflects a net funding increase of \$90.4 million, which includes price growth of \$127.2 million, and net program reductions of \$36.8 million. Specific changes by program are provided after the workload data. The following table summarizes the financial data displayed above by various training categories.

## TRAINING AND EDUCATION

### Individual Training by Category by Service

	FY 1998 <u>Actual</u> <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	(\$ in Millions) FY 1999 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2000
<b>Recruit Training</b>							
Army 1/	27.3	+8	+5.9	34.0	+9	-6.8	28.1
Navy	4.9	+1	-3	4.7	+1	+3	5.1
Marine Corps	10.0	+1	+3	10.4	+1	-6	9.9
Air Force	5.7	+1	-1.6	4.2	+1	+2	4.5
Total	47.9	+1.1	+4.3	53.3	+1.2	-6.9	47.6
<b>Specialized Skill Training</b>							
Army	227.4	+6.1	-24.3	209.2	+6.7	+14.2	230.1
Navy	237.7	+3.4	+4.2	245.3	+3.7	+2.5	251.5
Marine Corps	28.9	+3	+1.3	30.5	+7	+2	31.4
Air Force	203.7	+4.2	+4.9	212.8	+6.1	+21.6	240.5
Defense Health Program	151.7	+7.1	-25.1	133.7	+4.9	+7.0	145.6
USSOCOM	28.9	+6	+10.8	40.3	+9	-	41.2
Total	878.3	+21.7	-28.2	871.8	+23.0	+45.5	940.3

### Officer Acquisition

Army	62.8	+1.6	-8	63.6	+2.0	-2	65.4
Navy	72.6	+2.2	-1	74.7	+2.7	+2.5	79.9
Marine Corps	.3	-	-	.3	-	-	.3
Air Force	50.2	+1.3	+5.6	57.1	+2.1	+8	60.0
Defense Health Program	157.6	+7.4	-12.5	152.5	+5.6	-11.9	146.2
Total	343.5	+12.5	-7.8	348.2	+12.4	-8.8	351.8

1/ Includes Army One Station Unit Training (OSUT).

# TRAINING AND EDUCATION

	FY 1998 Actual Estimate	Price Change	Program Change	(\$ in Millions) FY 1999 Estimate	Price Change	Program Change	FY 2000
<b>Professional Development</b>							
Army	77.8	+1.6	+7.1	86.5	+2.4	-1.5	87.4
Navy	69.3	+1.9	+14.4	85.6	+2.6	-2.8	85.4
Marine Corps	6.0	+1	+4	6.5	+2	+1.9	8.6
Air Force	83.3	+1.6	+2.3	87.2	+2.5	+9.1	98.8
AFIS	10.2	+1	-2.5	7.8	+1	+1.6	9.5
DAU	93.1	+1.8	+3	95.2	+1.9	+3.3	100.4
DFAS	24.4	+4	+3.9	28.7	+5	-11.2	18.0
DHRA	13.9	+2	+14.4	28.5	+4	+13.0	41.9
DSS	7.2	+1	+1.9	9.2	+2	-2.1	7.3
DTRA	.8	-	+1	.9	-	-	.9
USSOCOM	1.8	-	-3	1.5	+1	-	1.6
Defense Health Program	23.6	+1.1	-4.2	20.5	+8	-3	21.0
Total	411.4	+8.9	+37.8	458.1	+11.7	+11.0	480.8
<b>Senior ROTC</b>							
Army	116.0	+1.8	+13.4	131.2	+2.6	+1.0	134.8
Navy	65.5	+8	-.7	65.6	+1.0	-.3	66.3
Air Force	46.4	+5	-3.4	43.5	+7	+13.8	58.0
Total	227.9	+3.1	+9.3	240.3	+4.3	+14.5	259.1
<b>Flight Training</b>							
Army	206.4	+2.3	+7.0	215.7	+3.3	+50.7	269.6
Navy	314.0	-4.2	+11.3	321.1	-8.0	+7.4	320.5
Marine Corps	.2	-	-	.2	-	-	.2
Air Force	398.3	-4.7	+12.0	405.6	-14.5	+80.4	471.5
Total	918.9	-6.6	+30.3	942.6	-19.2	+138.4	1,061.8



# TRAINING AND EDUCATION

	<u>FY 1998 Actual Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	(\$ in Millions) <u>FY 1999 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2000</u>
<u>Training Support</u>							
Army	484.7	+9.6	-19.9	474.4	+10.6	-18.0	467.0
Navy	131.1	+1.7	+28.3	161.1	+3.8	+47.5	212.4
Marine Corps	71.1	+9	+14.4	86.4	+1.5	-3.1	84.8
Air Force	<u>75.5</u>	<u>+2.1</u>	<u>-11.5</u>	<u>66.1</u>	<u>+2.6</u>	<u>1.3</u>	<u>70.0</u>
Total	762.4	+14.3	+11.3	788.0	+18.5	+27.7	834.2
<u>Base Support/Real Property Maintenance</u>							
Army 2/	1,288.1	+26.1	-106.5	1,207.7	+30.0	-96.0	1,141.7
Navy	515.8	+4.8	-21.1	499.5	+13.8	-148.8	364.5
Marine Corps	148.7	+2.6	+1.1	152.4	+2.9	+1	155.4
Air Force	422.1	+9.3	+14.9	446.3	+12.3	+16.2	474.8
USSOCOM	<u>1.7</u>	<u>-</u>	<u>-3</u>	<u>1.4</u>	<u>-</u>	<u>+1</u>	<u>1.5</u>
Total	2,376.4	+42.8	-111.9	2,307.3	+59.0	-228.4	2,137.9

2/ Includes Base Operations Support and Real Property maintenance in support of training.

## PROGRAM DATA

(Hours in Thousands)

	<u>FY 1998 Actual</u>	<u>Change</u>	<u>FY 1999 Estimate</u>	<u>Change</u>	<u>FY 2000 Estimate</u>
<u>Flying Hours</u>					
Army	185.7	+10.9	196.6	+40.3	236.9
Navy	397.1	+37.3	434.4	+7.5	441.9
Air Force	<u>465.1</u>	<u>+30.3</u>	<u>495.4</u>	<u>-20.5</u>	<u>474.9</u>
Total	1,047.9	+78.5	1,126.4	+27.3	1,153.7

## TRAINING AND EDUCATION

### WORKLOAD INDICATORS

	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<b><u>Army</u></b>					
Recruit Training	52,861	+9,266	62,127	+2,353	64,480
One Station Unit Training	10,242	+3,695	13,937	+801	14,738
Specialized Skill <sup>3/</sup>	8,324	+1,030	9,354	+668	10,022
Officer Acquisition	27,021	+4,263	31,284	+865	32,149
Flight Training	4,330	+15	4,345	-81	4,264
Professional Development	1,008	+104	1,112	+24	1,136
	1,936	+159	2,095	+76	2,171
<b><u>Navy</u></b>					
Recruit Training	47,568	+268	47,836	+106	47,942
One Station Unit Training	8,740	+960	9,700	+765	10,465
Specialized Skill <sup>3/</sup>	-	-	-	-	-
Senior ROTC	22,843	-607	22,236	-641	21,595
Officer Acquisition	5,909	+76	5,985	-	5,985
Flight Training	4,788	+49	4,837	+77	4,914
Professional Development	2,929	-344	2,585	-97	2,488
	2,359	+134	2,493	+2	2,495
<b><u>Marine Corps</u></b>					
Recruit Training	16,628	+1,498	18,126	-334	17,792
One Station Unit Training	8,554	+8	8,562	-38	8,524
Specialized Skill <sup>3/</sup>	-	-	-	-	-
Officer Acquisition	6,471	+1,271	7,742	-2	7,740
Flight Training	399	+43	442	-50	392
Professional Development	-	-	-	-	-
	1,204	+176	1,380	-244	1,136

<sup>3/</sup> Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

## TRAINING AND EDUCATION

## TRAINING AND EDUCATION

	FY 1998 <u>Actual</u>	Change	FY 1999 <u>Estimate</u>	Change	FY 2000 <u>Estimate</u>
<b><u>Air Force</u></b>					
Recruit Training	29,898	+2,012	31,910	-686	31,224
One Station Unit Training	3,890	+519	4,409	-218	4,191
Specialized Skill <sup>3/</sup>	-	-	-	-	-
Officer Acquisition	15,240	+1,325	16,565	-576	15,989
Flight Training	4,073	+14	4,087	+20	4,107
Professional Development	1,798	+198	1,996	+42	2,038
	4,897	-44	4,853	+46	4,899
<b><u>Defense Health Program</u></b>	102,176	-1,644	100,532	+18,983	119,515
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill <sup>3/</sup>	92,434	-971	91,463	+16,849	108,312
Officer Acquisition (includes USUHS)	621	+15	636	-	636
Flight Training	-	-	-	-	-
Professional Development	9,121	-688	8,433	+2,134	10,567
<b><u>USSOCOM</u></b>	2,087	+92	2,179	+9	2,188
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill <sup>3/</sup>	2,013	+85	2,098	+4	2,102
Officer Acquisition	-	-	-	-	-
Flight Training	-	-	-	-	-
Professional Development	74	+7	81	+5	86

3/ Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

**Note:** Training workload and dollars includes Guard and Reserve Forces when training is the mission responsibility of the Active Component.

## TRAINING AND EDUCATION

Funding for the Training and Education activity increases by \$90.4 million, from \$6,770.6 million in FY 1999 to \$6,861.0 million in FY 2000. This net increase reflects price growth of \$127.2 million, net functional transfers out of the training account of \$214.4 million and primarily into the Quality of Life Enhancements, Defense account; and program increases of \$398.8 million partially offset by decreases of \$221.2 million.

These adjustments are further described as follows:

**FY 1999 Current Estimate**  
**Price Growth**  
**Net Transfers**

(\$ in Millions)

**6,770.6**

**+127.2**

**-214.4**

**+398.8**

### Program Increases

- ? Flight training for increased pilot production in the Active Components, including undergraduate navigator training. +130.9
- ? Real property maintenance projects to reduce the backlog primarily at TRADOC. Additionally, includes the renovation of the Air Force Officer Squadron School, and other base support costs for several child development centers. +116.2
- ? Training support for expanded DoD computer-based education efforts, Distance Learning, and video teletraining initiatives. Increase is partially offset by savings in travel. +47.0
- ? Basic military training costs for increased non-prior service recruits. Implements recommendations for Gender Integrated training consistent with the Kassebaum-Baker Commission report. +42.8
- ? Outsourcing initiatives to contract out nonessential military billets for air traffic controllers, ground support, maintenance, and other base support functions previously financed in the Military Personnel accounts. +17.3
- ? Reserve Officers Training Corps - Funds increases for scholarships and operations. +14.8
- ? Air Force General Skill Training - reversal of decision to convert 3 percent of enlisted and 22 percent of officer initial skills courses. +10.8

## TRAINING AND EDUCATION

(\$ in Millions)

- ? Professional development increases for the Defense Acquisition Workforce Improvement Act (DAWIA) training, Financial Management Education and Training (FMET), and additional professor billets. +10.7
- ? Medical readiness training exercises and increased Officer Acquisition Training to expand the Navy seaman to admiral program. +6.4
- ? Fact-of-life and one-time increases for equipment modernization and furniture replacement at the U.S. Naval Academy. +1.9

+221.2

### Program Decreases

- ? One-time projects that include the renovation of Sims Hall and Roosevelt Hall, demolition of excess facilities, completion of environmental projects, completion of projects associated with the establishment of the Navy Warfare Development Command, and BRAC directed closure of the Naval Training Center in Orlando. -71.0
- ? One-time costs associated with emergency supplemental in FY 1999. -47.5
- ? Base Operations Support and Real Property Maintenance - reflects anticipated savings from outsourcing, privatization, continued downsizing of the workforce, and other initiatives to increase efficiency -46.8
- ? Specialized skills training and training support -- projected savings directly associated the continued implementation of distance learning as traditional classroom costs and student travel costs are reduced commensurate with reductions in resident instruction time. -27.1
- ? Decreased flying hours and maintenance costs for Navy aircraft (TA4J and T39N). -12.7
- ? Professional Development -- one time requirement in FY 1999 for the Defense Health Program as a result of congressional action. -9.1
- ? Other training support. -7.0

**6,861.0**

**FY 2000 Estimate**

# TRANSPORTATION

	FY 1998 <u>Actual</u>	(\$ in Millions)				FY 2000 <u>Estimate</u>
		<u>Price Change</u>	<u>Program Change</u>	<u>FY 1999 Estimate</u>	<u>Price Change</u>	
Army	491.7	-16.2	-106.0	369.5	+29.4	474.3
Navy	139.8	-4.3	+13.4	148.9	+11.0	161.7
Marine Corps	30.1	-2.3	+1.8	29.6	-0.1	28.6
Air Force	207.9	-6.8	-12.3	188.8	+23.6	207.7
Defense-Wide	357.0	-2.6	+32.3	386.7	-2.1	373.6
Army Reserve	3.2	-	-1.8	1.4	-	1.4
Navy Reserve	1.2	-	-0.5	0.7	-	0.7
Marine Corps Reserve	5.0	+0.1	-0.4	4.7	+0.1	4.3
Air Force Reserve	1.2	-	-	1.2	+0.1	2.4
Army National Guard	19.5	+0.2	+1.6	21.3	+0.3	21.3
Air National Guard	<u>8.7</u>	<u>+0.1</u>	<u>-1.6</u>	<u>7.2</u>	<u>+0.1</u>	<u>7.8</u>
Total Transportation	1,265.3	-35.0	-70.3	1,160.0	+62.4	1,283.8

Transportation costs provide for the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The Components purchase transportation from DoD activities in the Defense Working Capital Funds (DWCF) and from commercial sources. Transportation consists of two types: First Destination and Second Destination. In addition to DoD military supplies and equipment, other major commodities shipped include overseas mail, subsistence items, and Base Exchange stock.

In FY 2000, total DoD transportation costs are \$1,283.3 million, an increase of \$123.8 million above the FY 1999 estimate of \$1,160.0 million. The FY 2000 program increase of \$61.4 million (5.3 percent) results from various program changes among the Components. The Army's increase of \$75.4 million (20.4 percent) reflects increased equipment movement due to force modernization, force structure reductions, and troop movements. The Navy's FY 2000 program change of \$1.8 million (1.2 percent) is due to increased reliance on "just in time inventory" supply management policy. The Marine Corps shipping costs declined \$0.9 million (3.0 percent) due to bulk packaging and reduced tonnage. Reduced requirements for the movements of air munitions, missiles, engines, and special weapons and war reserve material drive the FY 2000 Air Force program decrease of \$4.7 million (2.5 percent). The \$11.0 million (2.8 percent) decrease in the Defense-Wide activities reflects primarily a 5 per cent operating tempo reduction in the Joint Exercise Program, consistent with the Department's intent to reduce personnel operating tempo. The Air Force Reserve FY 2000 program increase of \$1.1 million (91.7 percent) supports increased movement of equipment. The Army National Guard FY 2000

## TRANSPORTATION

program decrease of \$0.3 million (1.4 percent) reflects decreased requirements while the Air National Guard program increase of \$0.5 million (5.3 percent) reflects slightly higher requirements.

### First Destination Transportation (FDT)

First Destination Transportation (FDT) amounts support transportation costs associated only with Operation and Maintenance purchased items for delivery directly from the manufacturer. Transportation costs for delivery of procurement funded weapon systems and equipment or supplies and equipment purchased through the Defense Working Capital Fund are not included here. The following table summarizes FDT amounts:

	FY 1998 Actual	Price Change	Program Change	(\$ in Millions)		Price Change	Program Change	FY 2000 Estimate
				FY 1999 Estimate				
<u>Total First Destination Transportation</u>	41.0	-1.2	-2.1	37.7		+2.2	-3.1	36.8
<u>Major Commodity</u>								
Military Supplies and Equipment	41.0	-1.2	-2.1	37.7		+2.2	-3.1	36.8
<u>Mode of Shipment</u>								
Military Commands	25.8	-1.7	-0.6	23.5		+1.1	-2.1	22.5
Airlift	5.5	+0.4	-0.4	5.5		+0.3	-1.2	4.6
Sealift	19.1	-1.7	-0.2	17.2		-	-0.9	16.3
Traffic Management	1.2	-0.4	-	0.8		0.8	-	1.6
<u>Commercial</u>	15.2	+0.5	-1.5	14.2		+1.1	-1.0	14.3
Air	0.6	-	-	0.6		-	-	0.6
Surface	14.6	+0.5	-1.5	13.6		+1.1	-1.0	13.7

## TRANSPORTATION

### Second Destination Transportation (SDT)

The SDT provides for the movement of equipment and materiel among and between depots, logistics centers, and field activities including: retrograde cargo; Post Office mail; strategic missiles; support of classified and special programs; spare parts and other cargo by either military airlift and sealift worldwide, commercial surface transportation or commercial air carriers operating daily flights over regular routes within the Continental United States and Alaska; accessorial transportation services such as vessel per diem, retention and demurrage charges; and other cargo. The following table summarizes SDT amounts:

	FY 1998 Actual	Price Change	(\$ in Millions)			FY 2000 Estimate
			Program Change	FY 1999 Estimate	Price Change	
<u>Total Second Destination Transportation</u>	<u>1,224.3</u>	<u>-30.6</u>	<u>-71.4</u>	<u>1,122.3</u>	<u>+60.2</u>	<u>1,247.0</u>
<u>Major Commodity</u>						
<u>Military Supplies and</u>						
Equipment	858.1	-17.7	-54.2	786.2	+37.0	838.5
Mail Overseas	176.3	-7.0	+16.0	185.3	+11.7	196.2
Subsistence	19.7	-0.5	-8.1	11.1	+0.7	+17.1
Base Exchange	170.2	-5.4	-25.1	139.7	+10.8	195.2
<u>Mode of Shipment</u>						
<u>Military Commands</u>						
Airlift	845.3	-34.5	-20.8	790.0	+55.3	876.8
Sealift	388.5	+14.8	-17.8	385.5	+5.5	383.0
Surface	308.3	-28.7	-21.0	258.6	-2.0	308.6
Surface	148.5	-20.6	+18.0	145.9	+51.8	185.2
<u>Commercial</u>	<u>379.0</u>	<u>+3.9</u>	<u>-50.6</u>	<u>332.3</u>	<u>+4.9</u>	<u>370.2</u>
Air	185.1	+1.9	+2.6	189.6	+3.3	203.3
Surface	193.9	+2.0	-53.2	142.7	+1.6	166.9



## CIVILIAN PERSONNEL

	<u>(Full-Time Equivalents)</u>		
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Total DoD Hires - By Service</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>
Army*	237,324	-11,394	225,930
		-6,077	219,853
Navy	210,492	-3,578	206,914
		-7,425	199,489
Air Force	174,379	-5,647	168,732
		-6,169	162,563
Defense-wide	125,493	-2,676	122,817
		-4,503	118,314
<b>DoD Total</b>	<b>747,688</b>	<b>-23,295</b>	<b>724,393</b>
		<b>-24,174</b>	<b>700,219</b>

	<u>(Full-Time Equivalents)</u>		
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Total DoD - By Type of Hire</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>
U.S. Direct Hire	691,394	-20,545	670,849
		-22,971	647,878
Foreign National Direct Hire	15,840	-231	15,609
		-559	15,050
Total - Direct Hire	707,234	-20,776	686,458
		-23,530	662,928
Foreign National Indirect Hire	40,454	-2,519	37,935
		-644	37,291
<b>DoD Total</b>	<b>747,688</b>	<b>-23,295</b>	<b>724,393</b>
		<b>-24,174</b>	<b>700,219</b>

\* Army totals for FY 1999 and FY 2000 match the Appendix to the Budget of the United States Government. However, the Army National Guard plans to execute 1,257 fewer FTEs in FY 1999 and 1,194 fewer FTEs in FY 2000.

**CIVILIAN PERSONNEL**

	FY 1998 <u>Actual</u>	(Full-Time Equivalents)			FY 2000 <u>Estimate</u>
		<u>Change</u>	<u>FY 1999 Estimate</u>	<u>Change</u>	
<b><u>Total DoD Hires By Appropriation</u></b>					
Operation and Maintenance, Active & Defense-Wide	394,468	-13,593	380,875	-2,173	378,702
Operation and Maintenance, Reserve	76,933	+499	77,432	-2,239	75,193
Research, Development, Test, and Evaluation	33,639	-1,675	31,964	-4,281	27,683
Military Construction	7,908	+551	8,459	-529	7,930
Family Housing	1,357	-57	1,300	-48	1,252
Defense Working Capital Funds	229,828	-8,592	221,236	-14,950	206,286
Pentagon Reservation Maintenance Fund	732	+11	743	+16	759
Defense Stockpile	265	+7	272	+19	291
Building Maintenance Fund	25	+41	66	-	66
Foreign Military Assistance	353	+105	458	-	458
Defense Health Program	855	-551	304	-7	297
Office of the Inspector General	1,270	-45	1,225	+18	1,243
U.S. Court of Appeals for the Armed Forces	<u>55</u>	<u>+4</u>	<u>59</u>	<u>-</u>	<u>59</u>
<b>Total</b>	<b>747,688</b>	<b>-23,295</b>	<b>724,393</b>	<b>-24,174</b>	<b>700,219</b>

**ARMY**

### **Total DoD Hires By Appropriation**

## U. S. Direct Hire

Total Direct Hire

## U.S. Direct Hire

Total Direct Hire

## U.S. Direct Hire

Total Direct Hire

## U S Direct Hire

Total Direct Hire

## U.S. Direct Hire

Total Direct Hire

## CIVILIAN PERSONNEL

CIVILIAN PERSONNEL

	<u>ARMY</u>			
	<u>(Full-Time Equivalents)</u>			
<u>Total DoD Hires By Appropriation</u>	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
<u>Military Family Housing</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
U. S. Direct Hire	895	-64	831	790
Foreign National Direct Hire	55	-1	54	44
Total Direct Hire	950	-65	885	834
<u>Working Capital Fund</u>				
U. S. Direct Hire	25,904	-2,484	23,420	22,542
Foreign National Direct Hire	35	+82	117	108
Total Direct Hire	25,939	-2,402	23,537	22,650
<u>Foreign Military Assistance</u>				
U. S. Direct Hire	29	+19	48	48
Foreign National Direct Hire	-	+68	68	8
Total Direct Hire	29	+87	116	116
<u>Army Total</u>				
U. S. Direct Hire	208,228	-9,148	199,080	193,772
Foreign National Direct Hire	8,828	-159	8,669	8,375
Total Direct	217,056	-9,307	207,749	202,147

\* Army totals for FY 1999 and FY 2000 match the Appendix to the Budget of the United States Government. However, the Army National Guard plans to execute 1,257 fewer FTEs in FY 1999, and 1,194 FTEs in FY 2000.

CIVILIAN PERSONNEL

ARMY

Summary of Increases/Decreases

Direct Hires

Working Capital Fund Reductions

Depot Maintenance

Information Services

Ordnance (realigned from Depot Maintenance Business Area)

Supply Maintenance

Transportation

HQ Department of the Army Redesign

Efficiencies from Functional Area Assessments

Medical Structure Adjustments

Research and Development Adjustments

Force Structure/Streamlining Reductions – Quadrennial Review and Defense Reform Initiatives

**Total**

**(Full-Time Equivalents)**

**99-00**

**Change**

-2,498

-108

+1,673

+97

-51

-643

-674

-574

-775

-2,049

**-5,602**

**(Full-Time Equivalents)**

**FY 1998**

**Actual**

**Indirect Hires by Appropriation**

Operation and Maintenance, Army

Military Construction

Army Family Housing

Working Capital Fund

Foreign Military Financing

Total FTEs – Indirect Hire

**Total Direct Hire**

**Total Indirect Hire**

**Total Army**

**FY 1999**

**Estimate**

**Change**

**Change**

**FY 2000**

**Estimate**

16,839

179

418

269

1

17,706

**202,147**

**17,706**

**219,853**

-478

+2

+3

-2

-

-475

**-5,602**

**-475**

**-6,077**

17,317

177

415

271

1

18,181

**207,749**

**18,181**

**225,930**

-2,245

+177

+8

-27

+1

-2,087

**-9,307**

**-2,087**

**-11,394**

19,563

-

407

298

-

20,268

**217,056**

**20,268**

**237,324**

**CIVILIAN PERSONNEL**

CIVILIAN PERSONNELNAVY

	FY 1998 Actual	(Full-Time Equivalents) Change	FY 1999 Estimate	Change	FY 2000 Estimate
<u>Direct Hires By Appropriation</u>					
<u>Operation and Maintenance, Navy</u>					
U. S. Direct Hire	73,886	+3,041	76,927	+510	77,437
Foreign National Direct Hire	<u>2,798</u>	<u>-76</u>	<u>2,722</u>	<u>-62</u>	<u>2,660</u>
Total Direct Hire	76,684	+2,965	79,649	+448	80,097
<u>Operation and Maintenance, Marine Corps</u>					
U. S. Direct Hire	13,482	-25	13,457	-403	13,054
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	13,482	-25	13,457	-403	13,054
<u>Operation and Maintenance, Navy Reserve</u>					
U. S. Direct Hire	2,257	-208	2,049	-124	1,925
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	2,257	-208	2,049	-124	1,925
<u>Operation and Maintenance, Marine Corps Reserve</u>					
U. S. Direct Hire	155	+7	162	-2	160
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	155	+7	162	-2	160
<u>Research, Development, Test and Evaluation</u>					
U. S. Direct Hire	1,443	+21	1,464	-308	1,156
Foreign National Direct Hire	<u>316</u>	<u>-74</u>	<u>242</u>	<u>-3</u>	<u>239</u>
Total Direct Hire	1,759	-53	1,706	-311	1,395

CIVILIAN PERSONNEL

CIVILIAN PERSONNEL

NAVY

	FY 1998 Actual	Change	(Full-Time Equivalents) FY 1999 Estimate	Change	FY 2000 Estimate
<u>Direct Hires By Appropriation</u>					
<u>Military Construction</u>					
U. S. Direct Hire	2,754	-172	2,582	-567	2,015
Foreign National Direct Hire	66	+7	73	-	73
Total Direct Hire	2,820	-165	2,655	-567	2,088
<u>Working Capital Fund</u>					
U. S. Direct Hire	102,097	-5,786	96,311	-6,388	89,923
Foreign National Direct Hire	35	-17	18	-1	17
Total Direct Hire	102,132	-5,803	96,329	-6,389	89,940
<u>Foreign Military Assistance</u>					
U. S. Direct Hire	12	-3	9	-	9
Foreign National Direct Hire	50	-7	43	=	43
Total Direct Hire	62	-10	52	-	52
<u>Total Navy</u>					
U. S. Direct Hire	182,449	-3,107	179,342	-6,877	172,465
Foreign National Direct Hire	3,265	-167	3,098	-66	3,032
Total Direct Hire	185,714	-3,274	182,440	-6,943	175,497
<u>Total - Marine Corps</u>					
U. S. Direct Hire	13,637	-18	13,619	-405	13,214
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	13,637	-18	13,619	-405	13,214

CIVILIAN PERSONNEL

NAVY

	<u>FY 1998</u>	<u>(Full-Time Equivalents)</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>
<u>Direct Hires By Appropriation</u>			
<u>Total Department of Navy</u>			
U. S. Direct Hire	196,086	-3,125	185,679
Foreign National Direct Hire	3,265	-167	3,032
<b>Total Direct Hire</b>	<b>199,351</b>	<b>-3,292</b>	<b>188,711</b>
 <u>Summary of Increases/Decreases</u>			
Changes to Working Capital Fund Workload			<b>Change</b>
Shipyards			<b>99-00</b>
Aviation Depots			-1,125
R&D Activities			-321
Navy Military Sealift and TRANSCOM			-650
Supply Management			+79
Public Works			-34
Other WCF Functions			-171
Competitive Sourcing and Other Efficiencies			-310
Net Transfer of Ordnance Functions to Fleets			-935
Ship Depot Operations			-194
Planning, Engineering and Design			-451
Military Construction			-292
Intelligence Programs			-567
Reduced Workload for Officer Acquisition/Military Manpower			+88
Other Realignments/Reductions			-317
<b>Total</b>			<b>-2,148</b>
			<b>-7,348</b>



CIVILIAN PERSONNEL

NAVY

	FY 1998 <u>Actual</u>	<u>(Full-Time Equivalents)</u>		FY 2000 <u>Estimate</u>
		<u>Change</u>	<u>Estimate</u>	
<u>Indirect Hires By Appropriation</u>				
Operation and Maintenance, Navy	6,067	-69	5,998	5,939
Operation and Maintenance, Marine Corps	3,066	-256	2,810	2,810
Research, Development, Test, and Evaluation	3	-	3	3
Military Construction	66	-	66	66
Working Capital Fund	1,939	+39	1,978	1,960
Total FTEs - Indirect	11,141	-286	10,855	10,778
<u>Total Direct Hire FTEs</u>				
Navy	185,714	-3,274	182,440	175,497
Marine Corps	13,637	-18	13,619	13,214
Total - Direct Hire	199,351	-3,292	196,059	188,711
<u>Total Indirect Hire FTEs</u>				
Navy	8,075	-30	8,045	7,968
Marine Corps	3,066	-256	2,810	2,810
Total - Indirect Hire	11,141	-286	10,855	10,778
<u>Total Department of the Navy</u>				
Navy	193,789	-3,304	190,485	183,465
Marine Corps	16,703	-274	16,429	16,024
Total FTEs	210,492	-3,578	206,914	199,489

CIVILIAN PERSONNELAIR FORCE

	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<u>Direct Hires By Appropriation</u>					
<u>Operation and Maintenance, Air Force</u>					
U. S. Direct Hire	86,251	-2,607	83,644	-1,765	81,879
Foreign National Direct Hire	<u>2,246</u>	<u>+134</u>	<u>2,380</u>	<u>-79</u>	<u>2,301</u>
Total Direct Hire	88,497	-2,473	86,024	-1,844	84,180
<u>Operation and Maintenance, Air Force</u>					
U. S. Direct	14,789	+335	15,124	-116	15,008
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	14,789	+335	15,124	-116	15,008
<u>Operation and Maintenance, Air National</u>					
U. S. Direct	24,570	-143	24,427	-209	24,218
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	24,570	-143	24,427	-209	24,218
<u>Research, Development, Test, and Evaluation</u>					
U. S. Direct Hire	9,679	-1,779	7,900	-193	7,707
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	9,679	-1,779	7,900	-193	7,707
<u>Working Capital Fund</u>					
U. S. Direct Hire	29,997	-1,308	28,689	-3,745	24,944
Foreign National Direct Hire	<u>146</u>	<u>-</u>	<u>146</u>	<u>-28</u>	<u>118</u>
Total Direct Hire	30,143	-1,308	28,835	-3,773	25,062

CIVILIAN PERSONNEL

CIVILIAN PERSONNEL

AIR FORCE

	FY 1998	(Full-Time Equivalents)		FY 2000
	Actual	Change	FY 1999 Estimate	Estimate
<u>Direct Hires By Appropriation</u>				
<u>Air Force Total</u>				
U. S. Direct Hire	165,286	-5,502	159,784	153,756
Foreign National Direct Hire	2,392	+134	2,526	2,419
<b>Total Direct Hire</b>	<b>167,678</b>	<b>-5,368</b>	<b>162,310</b>	<b>156,175</b>

Summary of Increases and Decreases

Strategic Forces	<u>FY 99-00</u>
General Purpose Forces (Tactical/Special Operations)	<u>Change</u>
Intelligence and Communications	-2,299
General Research and Development	+1,712
Other Defense-wide Missions	-115
Logistics Support	-182
Personnel Support	-139
Other Centralized Support	-4,545
<b>Total</b>	<b>-137</b>
	<u>-430</u>
	<b>-6,135</b>

# CIVILIAN PERSONNEL

## AIR FORCE

	FY 1998	(Full-Time Equivalents)			FY 2000
<u>Indirect Hires By Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>FY 1999 Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Air Force Working Capital Fund	6,467	-279	6,188	-33	6,155
	234	-	234	-1	233
Total FTE Indirect Hire	6,701	-279	6,422	-34	6,388
 Total Direct Hire	 167,678	 -5,368	 162,310	 -6,135	 156,175
Total Indirect Hire	6,701	-279	6,422	-34	6,388
Total Air Force	174,379	-5,647	168,732	-6,169	162,563

## DEFENSE-WIDE ACTIVITIES

	FY 1998	(Full-Time Equivalents)			FY 2000
<u>Direct Hires By Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>FY 1999 Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance					
U. S. Direct Hire	50,799	-3,061	47,738	-577	47,161
Foreign National Direct Hire	591	-3	588	-90	498
Total Direct Hire	51,390	-3,064	48,326	-667	47,659
 Research, Development, Test, & Evaluation					
U. S. Direct Hire	1,168	-4	1,164	-2	1,162
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	1,168	-4	1,164	-2	1,162

# CIVILIAN PERSONNEL

## DEFENSE-WIDE ACTIVITIES

	FY 1998 Actual	Change	(Full-Time Equivalents) FY 1999 Estimate	Change	FY 2000 Estimate
<u>Direct Hires By Appropriation</u>					
<u>Working Capital Fund</u>					
U. S. Direct Hire	66,364	+801	67,165	-3,820	63,345
Foreign National Direct Hire	764	-36	728	-2	726
Total Direct Hire	67,128	+765	67,893	-3,822	64,071
<u>Pentagon Reservation Fund</u>					
U. S. Direct Hire	732	+11	743	+16	759
<u>National Defense Stockpile</u>					
U. S. Direct Hire	265	+7	272	+19	291
<u>Building Maintenance Fund</u>					
U. S. Direct Hire	25	+41	66	-	66
<u>Defense Health Program</u>					
U. S. Direct Hire	855	-551	304	-7	297
<u>U. S. Court of Appeals for the Armed</u>					
U. S. Direct Hire	55	+4	59	-	59
<u>Office of the Inspector General</u>					
U. S. Direct Hire	1,269	-45	1,224	+18	1,242
<u>Foreign Military Sales</u>					
U. S. Direct Hire	262	+27	289	-	289

CIVILIAN PERSONNEL

# CIVILIAN PERSONNEL

## DEFENSE-WIDE ACTIVITIES

	FY 1998 <u>Actual</u>	<u>(Full-Time Equivalents)</u>		FY 2000 <u>Estimate</u>
		<u>Change</u>	<u>Estimate</u>	
<u>Direct Hires By Appropriation</u>				
<u>Total Defense-Wide Activities</u>				
U. S. Direct Hire	121,794	-2,770	119,024	114,671
Foreign National Direct Hire	<u>1,355</u>	<u>-39</u>	<u>1,316</u>	<u>1,224</u>
<b>Total Direct Hire</b>	<b>123,149</b>	<b>-2,809</b>	<b>120,340</b>	<b>115,895</b>
 <u>Summary of Increases and Decreases</u>				
				<b>99-00</b>
				<u>Change</u>
Defense Contract Audit Agency (DCAA)				-99
Defense Commissary Agency (DeCA)				-254
Defense Finance and Accounting Service (DFAS)				-1,195
Defense Logistics Agency (DLA)				-2,458
Defense Threat Reduction Agency (DTRA)				-8
DoD Dependents Education (DoDEA)				-284
Intelligence and Communications				-146
DoD Human Resources Field Activity (DHRA)				-47
Office of the Inspector General (OIG)				+18
Ballistic Missile Defense Organization (BMDO)				+10
Defense Advanced Research Projects Agency (DARPA)				-1
Defense Health Program (DHP)				-7
Other Defense Activities				<u>+26</u>
<b>Total</b>				<b>-4,445</b>

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

	FY 1998	(Full-Time Equivalents)		FY 2000
	Actual	Change	Estimate	Estimate
<u>Indirect Hires By Appropriation</u>				
Operation and Maintenance	328	-11	317	317
Office of the Inspector General	1	-	1	1
Working Capital Fund	2,015	+144	2,159	2,101
Total FTE Indirect Hire	2,344	+133	2,477	2,419
Total Direct Hire	123,149	-2,809	120,340	115,895
Total Indirect Hire	<u>2,344</u>	<u>+133</u>	<u>2,477</u>	<u>2,419</u>
Total Defense-Wide Activities	125,493	-2,676	122,817	118,314

# MILITARY PERSONNEL

## ACTIVE FORCE PERSONNEL

(End Strength)

	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<u>DoD Total By Type</u>					
Officer	<u>1,406,830</u>	<u>-16,393</u>	<u>1,390,437</u>	<u>-5,631</u>	<u>1,384,806</u>
Enlisted	223,281	-2,040	221,241	-1,388	219,853
Cadets	1,171,148	-13,952	1,157,196	-4,243	1,152,953
	12,401	-401	12,000	-	12,000
 <u>DoD Total By Service</u>					
Army	<u>1,406,830</u>	<u>-16,393</u>	<u>1,390,437</u>	<u>-5,631</u>	<u>1,384,806</u>
Navy	483,880	-3,880	480,000	-	480,000
Marine Corps	382,338	-9,983	372,355	-574	371,781
Air Force	173,142	-942	172,200	-52	172,148
	367,470	-1,588	365,882	-5,005	360,877



## MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

(Average Strength)				
	FY 1998		FY 1999	FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
<b>Army</b>	<b><u>486,632</u></b>	<b><u>-8,537</u></b>	<b><u>478,095</u></b>	<b><u>479,780</u></b>
Officer	79,945	-1,011	78,934	78,526
Enlisted	402,684	-7,442	395,242	397,493
Cadets	4,003	-84	3,919	3,761
<b>Navy</b>	<b><u>387,998</u></b>	<b><u>-15,568</u></b>	<b><u>372,430</u></b>	<b><u>370,999</u></b>
Officer	55,619	-853	54,766	53,981
Enlisted	328,526	-14,716	313,810	313,163
Midshipmen	3,853	+1	3,854	3,855
<b>Marine Corps</b>	<b><u>172,325</u></b>	<b><u>-707</u></b>	<b><u>171,618</u></b>	<b><u>171,757</u></b>
Officer	17,961	+105	18,066	18,016
Enlisted	154,364	-812	153,552	153,741
<b>Air Force</b>	<b><u>375,512</u></b>	<b><u>-5,739</u></b>	<b><u>369,773</u></b>	<b><u>368,251</u></b>
Officer	73,691	-1,070	72,621	72,102
Enlisted	297,897	-4,693	293,204	292,201
Cadets	3,924	+24	3,948	3,948
<b>DoD Total</b>	<b><u>1,422,467</u></b>	<b><u>-30,551</u></b>	<b><u>1,391,916</u></b>	<b><u>1,390,787</u></b>
Officer	227,216	-2,829	224,387	222,625
Enlisted	1,183,471	-27,663	1,155,808	1,156,598
Cadets	11,780	-59	11,721	11,564

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

ARMY

(End Strength)

	FY 1998		FY 1999	FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Total</u>	<u>483,880</u>	<u>-3,880</u>	<u>480,000</u>	<u>480,000</u>
Officer	78,498	-698	77,800	77,800
Enlisted	401,188	-2,988	398,200	398,200
Cadets	4,194	-194	4,000	4,000

FY 98-FY 99  
Change

FY 99-FY 00  
Change

Total

Strategic Forces  
General Purpose Forces  
Intelligence & Communications  
General Research & Development  
Other Defense Wide Missions  
Logistics Support  
Personnel Support  
Other Centralized Support

<u>-3,880</u>	=
-23	+6
+3,892	+1,888
+45	-94
-275	-368
+296	-8
+37	-128
-7,280	-1,253
-572	-43

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

NAVY

(End Strength)

	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<u>Total</u>	<u>382,338</u>	<u>-9,983</u>	<u>372,355</u>	<u>-574</u>	<u>371,781</u>
Officer	54,999	-852	54,147	-560	53,587
Enlisted	323,120	-8,912	314,208	-14	314,194
Midshipmen	4,219	-219	4,000	-	4,000

FY 98-FY 99

Change

FY 99-FY 00

Change

<u>Total</u>	<u>-9,983</u>	<u>-574</u>
Strategic Forces	-351	-28
General Purpose Forces	-10,141	-561
Intelligence & Communications	+1,910	-573
General Research & Development	-25	-99
Other Defense Wide Missions	+12	-
Logistics Support	-465	-281
Personnel Support	-949	+1,110
Other Centralized Support	+26	-142

MILITARY PERSONNEL

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

**MARINE CORPS**

(End Strength)

	FY 1998		FY 1999		FY 2000
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total</u>	<u>173,142</u>	<u>-942</u>	<u>172,200</u>	<u>-52</u>	<u>172,148</u>
Officer	17,892	-14	17,878	-28	17,850
Enlisted	155,250	-928	154,322	-24	154,298

	FY 98-FY 99	FY 99-FY 00
	<u>Change</u>	<u>Change</u>
<u>Total</u>	<u>-942</u>	<u>-52</u>
Strategic Forces	-15	-
General Purpose Forces	-1,714	+802
Intelligence & Communications	+38	+109
General Research & Development	-32	-17
Other Defense Wide Missions	-6	-5
Logistics Support	-68	-7
Personnel Support	+1,074	-890
Other Centralized Support	-219	-44

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

**AIR FORCE**

(End Strength)

	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<u>Total</u>	<u>367,470</u>	<u>-1,588</u>	<u>365,882</u>	<u>-5,005</u>	<u>360,877</u>
Officer	71,892	-476	71,416	-800	70,616
Enlisted	291,590	-1,124	290,466	-4,205	286,261
Cadets	3,988	+12	4,000	-	4,000

FY 98-FY 99      FY 99-FY 00

Change

Change

Total  
Strategic Forces  
General Purpose Forces  
Intelligence & Communications  
General Research & Development  
Other Defense Wide Missions  
Logistics Support  
Personnel Support  
Other Centralized Support

<u>-1,588</u>	<u>-5,005</u>
-831	-3,306
+2,445	-369
-659	-1,425
-2,490	-407
+200	-138
+2,572	-1,273
-2,549	+2,140
-276	-227

MILITARY PERSONNEL

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

**U.S. SPECIAL OPERATIONS COMMAND (USSOCOM) SUPPORT**

Included within the Services' estimates are the following active military end strength that provide direct support to USSOCOM.

	(Military End Strength)			FY 2000 Estimate
	FY 1998 Actual	Change	FY 1999 Estimate	
Army	<u>15,232</u>	<u>-1</u>	<u>15,231</u>	<u>15,231</u>
Officer	2,898	-9	2,889	2,889
Enlisted	12,334	+8	12,342	12,342
Navy	<u>5,056</u>	<u>+21</u>	<u>5,077</u>	<u>5,077</u>
Officer	789	+8	797	802
Enlisted	4,267	+13	4,280	4,275
Marine Corps	<u>49</u>	<u>=</u>	<u>49</u>	<u>49</u>
Officer	24	-	24	24
Enlisted	25	-	25	25
Air Force	<u>9,171</u>	<u>+5</u>	<u>9,176</u>	<u>8,846</u>
Officer	1,660	+4	1,664	1,635
Enlisted	7,511	+1	7,512	7,211
DoD Total	<u>29,508</u>	<u>+25</u>	<u>29,533</u>	<u>29,203</u>
Officer	<u>5,371</u>	<u>+3</u>	<u>5,374</u>	<u>5,350</u>
Enlisted	<u>24,137</u>	<u>+22</u>	<u>24,159</u>	<u>23,853</u>

MILITARY PERSONNEL

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## DoD CUSTOMER FUEL PRICES

The Department procures only refined fuel products. The fuel prices identified in the following table include the cost of the crude oil, refining, inventory control, transportation, and storage.

The DoD makes its refined fuel purchases in a two-step process involving both the Defense Logistics Agency (DLA) and the individual Service or Agency customers. The DLA, through its Defense Energy Management Center operating under the Defense Working Capital Fund, purchases most of the fuel and subsequently sells it primarily to DoD customers. This operation permits the Department to take advantage of price breaks for large quantity purchases and allows the DoD customer to plan on a stabilized price for all products during that fiscal year.

Based on current economic assumptions, the FY 2000 President's budget has established the stabilized composite price of \$26.04 to be charged to DoD customers in FY 2000. This price is anticipated to result in adequate revenue to fully finance the Defense Business Working Capital Fund's projected fuel costs.

The following table reflects the composite price and stabilized prices by product that DoD customers are paying and will pay for fuel in each fiscal year.

<u>Product Type</u>	<u>(Rates in Dollars)</u>			
	<u>FY 1998</u>		<u>FY 1999</u>	
	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>
AVGAS	3.65	153.3	3.33	139.86
Motor Gas Leaded	1.07	44.94	.98	41.16
Motor Gas Unleaded	.88	36.96	.80	33.60
Premium	.89	37.38	.88	36.96
Midgrade	.88	36.96	.84	35.28
Regular	.87	36.54	.79	33.18
Gasohol	.87	36.54	.82	34.44
JP-4 Milspec	1.18	49.56	1.08	45.36
JP-4 Commercial	.89	37.38	.81	34.02
JP-5	.93	39.06	85	35.70
JP-8	.91	38.22	.83	34.86
			2.43	102.06
			.81	34.02
			.68	28.56
			.74	31.08
			.71	29.82
			.67	28.14
			.69	28.98
			.80	33.60
			.61	25.62
			.63	26.46
			.62	26.04

# DOD CUSTOMER FUEL PRICES

Product Type	FY 1998		(Rates in Dollars)		FY 2000	
	Gallon	Barrel	Gallon	Barrel	Gallon	Barrel
Distillates	.88	36.96	.80	33.60	.60	25.20
Diesel (Generic)	.83	34.86	.76	31.92	.57	23.94
Diesel KSN PC&S	.85	35.70	.78	32.76	.58	24.36
Diesel KS1 PC&S	.74	31.08	.81	34.02	.61	25.62
Diesel FS2 PC&S	.75	31.50	.68	28.56	.51	21.42
Diesel FS1 PC&S	.85	35.70	.78	32.76	.58	24.36
Diesel DFA High Sulfur	.91	38.22	.81	34.02	.61	25.62
Diesel DLA Low Sulfur	1.18	49.56	.88	36.96	.74	31.08
Diesel DL1 Low Sulfur	1.18	49.56	.79	33.18	.67	28.14
Diesel DF1 High Sulfur	.83	34.86	.76	31.92	.57	23.94
Diesel DF2 High Sulfur	.76	31.92	.69	28.98	.52	21.84
Diesel DL2 Low Sulfur	1.15	48.30	.72	30.24	.62	26.04
Residuals	.55	23.10	.50	21.00	.38	15.96
Navy Reclaimed	.34	14.28	.35	14.70	.37	15.54
Into Plane	1.16	48.72	1.06	44.52	.79	33.18
Local Purchase Jet Fuel	1.50	63.00	1.50	63.00	1.50	63.00
Into Plane AVGAS	n/a	n/a	1.28	53.76	.94	39.48
Bunker - Marine	.82	34.44	.75	31.50	.58	24.36
Bunker - Intermediate	.53	22.26	.48	20.16	.29	12.18

## Composite Rates

Customer Price	.91	38.22	.83	34.86	.62	26.04
Budgeted DWCF Cost	.84	35.39	.83	34.86	.69	28.98

## Special Fuels:

Special Fuels 2 (JP-TS)	2.85	119.70	2.85	119.70	3.25	136.50
Special Fuels 1 (JP-7)	3.00	126.00	3.00	126.00	3.00	126.00

## FOREIGN CURRENCY RATES

The Foreign Currency Fluctuations, Defense (FCF,D) appropriation was established in FY 1979 to enable execution of budgeted programs without concern for adverse variations in foreign currency rates. This centralized account is managed by the Under Secretary of Defense (Comptroller). Funds are transferred from this appropriation to selected DoD Components' Operation and Maintenance (O&M) and Military Personnel (MILPERS) appropriations to offset net losses in purchasing power because of unfavorable fluctuations in the foreign currency exchange rates of specified currencies. If a net gain results, the asset is transferred from the gaining appropriation to the FCF,D appropriation. The specified currencies are shown below as well as the rates used to formulate the budget. It is these rates the Department intends to use to measure foreign currency fluctuation during execution. These rates are expressed in terms of units of foreign currency that can be purchased with one (1) U.S. dollar.

### FOREIGN CURRENCY EXCHANGE RATES (Units of Foreign Currency Per One U.S. Dollar)

<u>Country</u>	<u>Monetary Unit</u>	<u>Execution Rates</u>		<u>President's</u>
		<u>FY 1998</u>	<u>FY 1999</u>	<u>Budget Rates</u> <u>FY 2000</u>
Belgium	Franc	37.25	38.648	35.350
Denmark	Krone	6.87	7.324	6.5115
France	Franc	6.08	6.452	5.7430
Germany	Deutsche Mark	1.81	1.928	1.7125
Greece	Drachma	283.92	302.197	287.35
Italy	Lira	1,759.00	1,888.189	1,695.00
Japan	Yen	121.17	140.59	123.05
Netherlands	Guilder	2.03	2.167	1.9314
Norway	Krone	7.42	7.805	7.5653
Portugal	Escudo	183.25	196.773	175.610
Singapore	Dollar	1.50	1.739	1.6490
South Korea	Won	907.60	1,446.75	1,242.50
Spain	Peseta	152.33	162.738	145.65
Turkey	Lira	168,865.00	211,747.729	301,935.00
United Kingdom	Pound	0.63	0.667	0.6045

## KEY ACTIVITY INDICATORS

	FY 1998 <u>Actual</u>	<u>Change</u>	FY 1999 <u>Estimate</u>	<u>Change</u>	FY 2000 <u>Estimate</u>
<b><u>ARMY</u></b>					
Active Duty Military Personnel (End Strength)	483,880	-3,880	480,000	-	480,000
Civilian Personnel (O&M FTEs)	148,653 <sup>1</sup>	-10,547	138,106	+385	138,491
Total Aircraft Inventory (TAI)	3,226	-22	3,204	-14	3,190
Primary Authorized Aircraft (PAA)	2,514	-30	2,484	-15	2,469
Flying Hours (000's)	577	+11	588	+106	694
Training Workloads	52,861	+9,266	62,127	+2,353	64,480
Major Installations	143	-3	140	+4	144
<b><u>NAVY</u></b>					
Active Duty Military Personnel (End Strength)	382,338	-9,983	372,355	-574	371,781
Civilian Personnel (O&M FTEs)	82,751	+2,896	85,647	+389	86,036
Total Aircraft Inventory (TAI) (Includes Reserves)	4,204	-76	4,128	-19	4,109
Primary Authorized Aircraft (PAA) (Active)	3,257	-39	3,218	-26	3,192
Flying Hours (000's)	1,253	+52	1,305	+10	1,315
Ship Inventory	315	-18	297	+1	298
Steaming Hours (Surface) (000's)	526	-26	500	-23	477
Steaming Hours (Submarine) (000's)	275	-15	260	-12	248
Training Workloads	47,568	+268	47,836	+106	47,942
Major Installations	97	-3	94	-1	93
<b><u>MARINE CORPS</u></b>					
Active Duty Military Personnel (End Strength)	173,142	-942	172,200	-52	172,148
Civilian Personnel (O&M FTEs)	16,548	-281	16,267	-403	15,864
Training Workloads	16,628	+1,498	18,126	-334	17,792
Major Installations	24	-2	22	-	22
Major Supply Depots	2	-	2	-	2

<sup>1</sup>Includes 166 FTEs above the amount shown in the Appendix to the Budget of the United States Government to correct earlier reporting.

# KEY ACTIVITY INDICATORS

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
<u>AIR FORCE</u>				
Active Duty Military Personnel (End Strength)	367,470	-1,588	365,882	360,877
Civilian Personnel (O&M FTEs)	94,964	-2,752	92,212	90,335
Total Aircraft Inventory (TAI)	4,060	-36	4,024	4,076
Primary Assigned Aircraft (PAA)	3,300	+68	3,368	3,437
Flying Hours (000's)	1,256	+72	1,328	1,293
Training Workloads	29,898	+2,012	31,910	31,224
Major Installations	77	+3	80	79
<u>ARMY RESERVE</u>				
Total Selected Reserve Strength (End Strength)	204,968	+3,032	208,000	205,000
Civilian Personnel (O&M FTEs)	10,727	+37	10,764	10,429
(Technicians Included Above)	(6,115)	(+356)	(6,471)	(6,446)
Total Aircraft Inventory (TAI)/				
Primary Authorized Aircraft (PAA)	132	-	132	156
Flying Hours (000's)	34	+3	37	48
Major Installations	6	-	6	6
Reserve Centers	809	-	809	809
<u>NAVY RESERVE</u>				
Total Selected Reserve Strength (End Strength)	93,171	-2,328	90,843	90,288
Civilian Personnel (O&M FTEs)	2,257	-208	2,049	1,925
Primary Authorized Aircraft (PAA) <sup>2</sup>	444	-9	435	417
Flying Hours (000's)	161	+11	172	174
Ship Inventory	26	+2	28	27
Steaming Hours (000's)	35	+14	49	41
Reserve Centers	159	-	159	159
Major Installations	7	-1	6	6

<sup>2</sup> Total Aircraft Inventory (TAI) is included under active Navy.

## KEY ACTIVITY INDICATORS

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
<b><u>MARINE CORPS RESERVE</u></b>				
Total Selected Reserve Strength (End Strength)	40,842	-876	39,966	39,624
Civilian Personnel (O&M FTEs)	155	7	162	160
Division/Wing Team	1/1	-	1/1	1/1
Training Centers	192	-	192	192

## AIR FORCE RESERVE

Total Selected Reserve Strength (End Strength)	71,970	+2,272	74,242	73,708
Civilian Personnel (O&M FTEs)	14,789	+335	15,124	15,008
(Technicians Included Above)	(9,354)	(+407)	(9,761)	(9,785)
Total Aircraft Inventory (TAI)	445	+5	450	458
Primary Authorized Aircraft (PAA)	400	-7	393	389
Flying Hours (000's)	137	+4	141	141
Major Installations	12	-	12	12

## ARMY NATIONAL GUARD

Total Selected Reserve Strength (End Strength)	362,444	-5,444	357,000	350,000
Civilian Personnel (O&M FTEs)	24,435	+471	24,906 <sup>3</sup>	23,453 <sup>3</sup>
(Technicians Included Above)	(23,960)	(-814)	(23,146)	(21,742)
Total Aircraft Inventory (TAI)	2,408	-8	2,400	2,323
Primary Authorized Aircraft (PAA)	2,070	-8	2,062	2,042
Flying Hours (000's)	249	+76	325	359
Training Locations	283	-	283	283
Divisions	8	-	8	8
Brigades	15	-	15	15

<sup>3</sup> As reflected in the Appendix to the Budget of the United States Government. Consistent with the justification material submitted, the Army National Guard plans to execute 1,257 fewer FTEs in FY 1999 and 1,194 fewer FTEs in FY 2000.

# KEY ACTIVITY INDICATORS

	<u>FY 1998</u>	<u>Change</u>	<u>FY 1999</u>	<u>FY 2000</u>
	<u>Actual</u>		<u>Estimate</u>	<u>Estimate</u>
<b><u>AIR NATIONAL GUARD</u></b>				
Total Selected Reserve Strength (End Strength)	108,096	-1,105	106,991	106,678
Civilian Personnel (O&M FTEs)	24,570	-143	24,427	24,218
(Technicians Included Above)	(23,171)	(-386)	(22,785)	(22,700)
Total Aircraft Inventory (TAI)	1,351	-9	1,342	1,325
Primary Authorized Aircraft (PAA)	1,184	-14	1,170	1,170
Flying Hours (000's)	364	-6	358	369
Major Installations	5	-	5	5
Other Operating Locations	170	-	170	170

## **DEFENSE HEALTH PROGRAM**

Total Aircraft Inventory (TAI)/	25	+3	28	26
Primary Authorized Aircraft (PAA)	22	-1	21	21
Flying Hours (000's)				
Training Workloads				
USUHS	621	+15	636	636
Other Education & Training	101,555	-1,659	99,896	118,879
Medical Centers and Hospitals	108	-6	102	98
Occupied Bed Days (000's)	1,121	-3	1,118	1,120
Ambulatory Visits (000's)	32,531	-137	32,394	32,168

## **U.S. SPECIAL OPERATIONS COMMAND**

Total Aircraft Inventory (TAI)	127	-	127	127
USASOC	151	-	151	151
AFSOC				
Primary Authorized Aircraft (PAA)				
USASOC	127	-	127	127
AFSOC	129	-	129	121
Flying Hours (000's)				
USASOC	32	-	32	32
AFSOC	56	+1	57	55

# KEY ACTIVITY INDICATORS



## LEGISLATIVE PROPOSALS

The FY 2000 President's budget submission includes funding and legislation for new authorities to enhance retention and improve quality-of-life for military and civilian members of the Department. The retention focus targets functions such as Retirement, Pay Table Reform, Special Operations, Aviation, Naval Leadership, and critical Civilian Manpower positions. In addition, quality-of-life emphasis related to Permanent Change of Station (PCS) and Medical issues are also included in the request. The following tables provide a summary of the legislative proposals and the applicable funding reflected in the FY 2000 President's budget request.

### (\$ in Millions)

#### FY 2000

Military Personnel, Army	+204.7
Military Personnel, Navy	+196.8
Military Personnel, Marine Corps	+77.7
Military Personnel, Air Force	+183.6
Reserve Personnel, Army	+16.3
Reserve Personnel, Navy	+18.0
Reserve Personnel, Marine Corps	+7.6
Reserve Personnel, Air Force	+4.7
National Guard Personnel, Army	+30.2
National Guard Personnel, Air Force	+16.5
Operation and Maintenance, Army	+1.3
Operation and Maintenance, Navy	+5.5
Operation and Maintenance, Air Force	+8.3
Operation and Maintenance, Defense-Wide	+9.3
Operation and Maintenance, Navy Reserve	+0.4
Military Construction, Navy	+2.0
Research, Development, Test, & Evaluation, Navy	+0.1
Total	+783.0

## LEGISLATIVE PROPOSALS

### Military Personnel Initiatives

(\$ in Millions)  
FY 2000

**Repeal of "Redux" Retirement** - Restores the full 50 percent retirement benefit after 20 years of service for all military members.

Military Personnel, Army	+258.8
Military Personnel, Navy	+197.3
Military Personnel, Marine Corps	+78.7
Military Personnel, Air Force	+214.7
Reserve Personnel, Army	+9.3
Reserve Personnel, Navy	+9.2
Reserve Personnel, Marine Corps	+1.4
Reserve Personnel, Air Force	+1.3
National Guard Personnel, Army	+17.2
National Guard Personnel, Air Force	+8.1
Total	+796.0

**Pay Table Reform** - Increases selective military pay grades to receive an additional 0.5 percent to 5.5 percent to improve retention in critical leadership positions.

Military Personnel, Army	+47.0
Military Personnel, Navy	+47.0
Military Personnel, Marine Corps	+20.0
Military Personnel, Air Force	+47.0
Reserve Personnel, Army	+7.0
Reserve Personnel, Navy	+5.0
Reserve Personnel, Marine Corps	+2.0
Reserve Personnel, Air Force	+3.0
National Guard Personnel, Army	+13.0
National Guard Personnel, Air Force	+5.0
Total	+196.0

## LEGISLATIVE PROPOSALS

(\$ in Millions)  
FY 2000

**Wage Credits** – Eliminates military wage credits in view of their minimal benefit. Retains this benefit for survivor disability personnel.

Military Personnel, Army	-117.0
Military Personnel, Navy	-82.9
Military Personnel, Marine Corps	-29.2
Military Personnel, Air Force	<u>-94.3</u>
Total	-323.4

**Career Enlisted Flyer Incentive Pay** – Establishes continuous monthly pay (\$150-\$400) to reverse declining retention of enlisted crewmembers.

Military Personnel, Navy	+2.8
Military Personnel, Marine Corps	+1.1
Military Personnel, Air Force	+11.8
Reserve Personnel, Navy	+0.7
Reserve Personnel, Air Force	+0.4
National Guard Personnel, Air Force	<u>+3.0</u>
Total	+19.8

**Special Warfare Officer** – Adds new authority for continuation pay for Special Warfare Officers (up to \$15,000 per year maximum).

Military Personnel, Navy	+3.1
Reserve Personnel, Navy	<u>+0.7</u>
Total	+3.8

**Surface Warfare Officer** – Adds new authority for continuation pay for Surface Warfare Officers (up to \$15,000 per year maximum).

Military Personnel, Navy	+18.7
Reserve Personnel, Navy	<u>+1.5</u>
Total	+20.2

(\$ in Millions)

## LEGISLATIVE PROPOSALS

### FY 2000

**Increase in Statutory Maximums Set for Diving Duty Pay** – Increases maximum monthly amounts by \$40.

Military Personnel, Army	+0.2
Military Personnel, Navy	+2.7
Military Personnel, Marine Corps	+0.3
Reserve Personnel, Navy	+0.4
Total	+3.6

**Remove Limit of Paying Only One Hazardous Duty Incentive Pay (HDIP) for Recipients of Diving Duty Pay**– Removes limitation that member receiving diving duty pay may receive only one HDIP.

Military Personnel, Army	+0.6
Military Personnel, Navy	+5.6
Military Personnel, Marine Corps	+0.2
Reserve Personnel, Navy	+0.1
Total	+6.5

**Lump Sum Leave Entitlement in Conjunction with Reenlistment**– Allows members more flexibility by categorizing all discharges for purpose of immediate reenlistment as early discharges.

Military Personnel, Navy	+1.9
Military Personnel, Marine Corps	+1.7
Reserve Personnel, Navy	+0.4
Total	+4.0

**Transport of Privately Owned Vehicle (POV) Overland by Carrier**– Authorizes transportation of POV for member during a PCS who is physically unable to drive the vehicle.

Military Personnel, Navy	+0.3
Military Personnel, Air Force	+0.1
National Guard Personnel, Air Force	+0.1
Total	+0.5
	(\$ in Millions)

## LEGISLATIVE PROPOSALS

### FY 2000

**Restoration of Tax-Exempt Status of Death Gratuity Payment-** Only half of \$6,000 gratuity is currently exempt from taxation. Proposal would exclude the entire payment from taxation.

Military Personnel, Air Force	+0.1
National Guard Personnel, Air Force	+0.1
Total	+0.2

**Waiver of Weight Allowance for Household Goods (HHGs) Shipment during PCS-** Allows Service Secretaries to waive the 18,000-pound weight limit to permit the movement of consumable goods to overseas locations.

Military Personnel, Army	+0.3
Military Personnel, Navy	+0.1
Military Personnel, Marine Corps	+0.4
Total	+0.8

**Temporary Lodging Expense (TLE) for First-Term Enlisted Members-** Authorizes TLE for first-term enlisted member upon initial PCS.

Military Personnel, Army	+14.5
Military Personnel, Navy	+0.2
Military Personnel, Marine Corps	+3.8
Military Personnel, Air Force	+2.1
National Guard Personnel, Air Force	+0.1
Total	+20.7

**Foreign Language Proficiency Pay -** Increases maximum monthly amount from \$100 to \$300.

Military Personnel, Marine Corps	+0.7
Military Personnel, Air Force	+1.2
Total	+1.9

(\$ in Millions)

## LEGISLATIVE PROPOSALS

### FY 2000

**Disability Benefits for Those Diagnosed with Heredity Diseases** - Advances in medical research determine more diseases to be genetic. Authorizes Service Secretaries to provide disability compensation to members who must be separated as result of congenital and hereditary diseases not detected before entry.

National Guard Personnel, Air Force	+0.1
Total	+0.1

### Civilian Personnel Initiatives

**Extend Non-Federal Hiring Incentive** -- This is a continuation of the Non-Federal Employment Incentive Pilot Program by extending it through FY 2003. The Secretary of Defense may pay retraining and/or relocation incentives up to \$10,000 to encourage non-federal employers to hire former DoD workers.

Operation and Maintenance, Navy	+0.1
Total	+0.1

**Expanded Use of VSIP (Voluntary Separation Incentive Pay) and VERA (Voluntary Early Retirement Allowance) for Force Shaping** - Makes VSIP permanent within DoD and expands its use to allow buyouts for workforce shaping actions. In addition, DoD could use VERA for workforce shaping without linking its use to eliminating positions, involuntary separations, or changes to lower grades.

Operation and Maintenance, Navy	+5.1
Operation and Maintenance, Navy Reserve	+0.4
Military Construction, Navy	+2.0
Research, Development, Test & Evaluation, Navy	+0.1
Total	+7.6

## LEGISLATIVE PROPOSALS

(\$ in Millions)  
FY 2000

**Transfer of Function (Work)-Definition Change** – Expands the definition of transfer of function to give employees the right to transfer with their work, even in cases where similar work already is being performed at the new location.

Operation and Maintenance, Air Force  
Total

+8.0  
+8.0

**Health Care Insurance Authority Extension for RIFed Employees**- Extends current authority through FY 2003.

Operation and Maintenance, Army  
Operation and Maintenance, Navy  
Operation and Maintenance, Air Force  
Total

+1.3  
+0.3  
+0.3  
+1.9

### Other Initiatives

**Authority to Order Reservist to Active Duty for Medical Evaluation** - Reservist may be called to active duty, with his or her consent, to complete required health surveillance study or medical evaluation in conjunction with the DoD program of data collection.

Military Personnel, Army  
Military Personnel, Air Force  
Total

+0.3  
+0.9  
+1.2

**Additional Expenses of Inspectors from the Organization for the Prohibition of Chemical Weapons (OPCW)** – Provides funding for international OPCW inspectors associated with verification related activities. Previous funding was provided by the Department of State.

Operation and Maintenance, Defense-Wide  
Total

+9.0  
+9.0

## LEGISLATIVE PROPOSALS

## LEGISLATIVE PROPOSALS

(\$ in Millions)  
FY 2000

**Per Diem for Civilians Performing Escort Missions at Permanent Duty Station** – Provides lodging and meal expense funding for civilians while escorting foreign inspectors in local areas.

Operation and Maintenance, Defense-Wide  
Total

+0.2  
+0.2

**Emergency Health Care for Defense Threat Reduction Agency (DTRA) Employees While in Former Warsaw Pact Countries**— Provides funding for health care needs for individuals working in the former Warsaw Pact countries.

Operation and Maintenance, Defense-Wide  
Total

+0.1  
+0.1

**Tuition Assistance Program (TAP)** – Provides an annual allowance of \$5,200 per participant as a financial incentive to defray educational expenses.

Reserve Personnel, Marine Corps  
Total

+4.2  
+4.2



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